

CYPRESS SCHOOL DISTRICT
Cypress, California 90630

“7-11” SURPLUS PROPERTY ADVISORY COMMITTEE

October 18, 2011

6:30 p.m.

Board Room

The second meeting of the "7-11" Surplus Property Advisory Committee convened at 6:35 p.m., October 18, 2011. Persons in attendance are listed below:

Chris Barnes, Community member and member of Cypress Education Foundation Board
Maureen Clair, Certificated employee and President, Association of Cypress Teachers
Michelle Hohmann, Community member and member of Citizens' Oversight Committee
Candice Kern, District parent and President, Cypress Council PTA
Tim McLellan, District administrator, Assistant Superintendent, Business Services
Steve Robbins, Community member and member of Citizens' Oversight Committee
Donna Wittenberg, Classified employee and President, California School Employees Association
Darrell Essex, Community member and former member Citizens' Oversight Committee

Dr. McLellan called the meeting to order and welcomed Mr. Essex, who was absent last week. He then turned the meeting over to chairman Steve Robbins.

Mr. Robbins asked committee members to review the minutes from the last meeting. On motion by Dr. McLellan, second by Mrs. Hohmann, carried unanimously, the minutes were approved as presented.

Committee members then reviewed the enrollment projections and history data provided, as was requested at the last meeting, in order to address whether or not the committee believes enrollment will come back to previous levels. Mrs. Barnes noted that she would like to see projections out 20 years, which is not provided. Mr. Robbins added that he believes if we allow developers to build homes on old sites and then take into consideration the possibility of more new homes on the race track site and the resale of homes to younger families, our enrollment could reach levels where we might again need these schools. Mrs. Kern said that although we do not have projections out 20 years, we are looking at enrollment back 40 years, and we can see that our enrollment has not spiked since our high of 8,000 students but shows a consistent downward trend. However, Mr. Robbins said that enrollment is a generational issue, and the arguable point is how much enrollment will change. He wants to be sure that the modernized schools will be able to handle any additional enrollment.

Dr. McLellan pointed out that the data provided shows that since 1950 the trends throughout the county and school districts have been a drop in births and resulting enrollment. We have dropped from 8,000 in the early 1970s to below 4,000 currently, anticipating going to 3,600 in the next two years. If our enrollment were to bounce back at some point, five of our six modernized schools can accommodate 300-350 additional students and even more if we were to add modular classrooms.

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In addition, the District is recommending we keep Swain School, which would allow for an additional 700 students. Therefore, conservatively we could accommodate up to 1400 additional students, should we see this type of growth. The District feels that the data shows we will never reach 8,000 students in the future. Mr. Essex said that over the years he has been proud that the District had the vision to keep school property, and he would hate to see that lost. Land values are such that he hates to see us lose our property. He suggested that the District office could be relocated to a school site, as the District office property is the most valuable we own. Mr. Blade agreed that this property is most valuable on a per acre basis, but since it is the smallest parcel, it is not the most valuable. To relocate from six acres to nine or 9.5 acres is counter productive. Mr. Robbins suggested that this is a terrible time to be disposing of real estate because the prices are low. He also suggested that perhaps the property in Buena Park was the most appropriate to dispose of because of its location on Ball Road. Mr. Essex added that Measure D would not be a problem in Buena Park. He also asked if the District office property was in the redevelopment zone, and staff will find out and report at the next meeting.

Dr. McLellan suggested the committee revisit the proposed plan, as the outright sale of all property is not the intent. The recommendation being brought to the committee involves:

1. Selling one of the properties in order to create capital for moving the District office to another location and for moving the maintenance/transportation yard to the Swain property
2. Leasing or exchanging two properties so that the District would receive ongoing revenue, similar to what we have with Hyter and the senior complex

Mr. Essex asked why we would exchange property when we have vacant schools that could be used for administrative offices. Dr. McLellan said we can create more revenue if we use the entire property of a school site, and not just the buildings, and unrestricted revenue is what we need to support our educational programs and help us to be less dependent on the state and federal government for revenue. Ms. Wittenberg suggested that the committee discuss retaining two sites rather than just one, since they seem to be uncomfortable with retaining only Swain. She asked which of the properties the District recommended selling, and Dr. McLellan said Cawthon. That site would allow building about 50 to 60 homes total on the acreage. Dr. McLellan added that if the race track development were to occur, then the District would be part of it and the developer would have to set aside land for a school. Mr. Robbins asked if the District left Cawthon, could we request that the developer make some other type of accommodation. Mr. Blade said that any money obtained that way would be restricted and could not be used for ongoing revenue. The District is trying to create unrestricted revenue. Ms. Wittenberg asked if the possible development of the race track was factored into the plan, and Mr. Blade said no. The city believes they have 15 to 20 years before the race track might be developed, and any development would be mitigated with the developer building a school to serve the community. It was also noted that it appears the race track, although in the City of Cypress, is in the Los Alamitos Unified School District. Staff will look into this for the next meeting.

Mrs. Kern asked again for assurance that the District would be able to accommodate a return to class size reduction numbers if the committee approved the plan as presented and only Swain were kept as a school. Dr. McLellan said we are currently at 28:1 in primary grades and 30:1 in upper grades. We have only been able to keep our numbers this low because of funds from the Hyter development. However, as he mentioned previously, we can accommodate up to 450 additional students on the current campuses. If we were to drop classes to 25:1 we might be looking at accommodating 200 to 250 students. Additionally, we still have the Swain campus. Mrs. Kern said she has seen the loss of our music and arts programs and full-time librarians, as well as class sizes creeping up over the last several years, in spite of the District's attempts to keep programs strong. She feels it would be irresponsible for this Board and the committee to do nothing. We need to generate unrestricted revenue. Ms. Wittenberg added this is a critical decision the committee needs to make. Dr. McLellan agreed, adding this will make our District unique and give us more local control to support our educational programs in ways other districts cannot.

Dr. McLellan suggested that the committee move to looking at the Priority Use List. The plan as approved by the Board in June calls for the committee to examine uses of Cawthon, Damron, Dickerson, District office, and Mackay.

1. Lease Dickerson and Mackay long term
2. Sell Cawthon School
3. Exchange the District office and Damron properties.

As mentioned, the sale would generate cash for relocation of the District office and maintenance/transportation yard and an exchange for commercial buildings to generate income to support the educational program. The committee's task is to determine the priority use of the properties and the limits of tolerance for their use. Mr. Robbins asked if it was the Board's intent to take all five properties out of use as school sites, and it is. They would be repurposed for income generation and would no longer be able to be used as schools. Mr. Robbins said that the issue to him is whether we think that these five properties will ever be needed again by the District as schools. He is not confident this is the case. Mr. Blade said that if the committee wants to retain additional schools, they need to remove those that are not going to be considered and then provide specific direction on the use of those remaining for repurposing. Ms. Wittenberg asked what happens if the vote is not unanimous, and Mr. Blade said we would take the majority recommendation to the Board. Mr. Robbins took a straw vote, asking how many sites the committee would be willing to allow for repurposing: 6 voted to repurpose five sites, one to repurpose four sites, and one abstained.

Mrs. Kern noted that the data shows enrollment has not fluctuated more than 1500 students in 40 years, and she believes it is logical to believe that will not change. The current plan could provide for this growth. Mr. Robbins believes the changes are generational and that as original property owners turn over homes, this will change. He wanted the committee to be very clear that when the District says they will repurpose the property, this means that it will never again be available for use as a school site. This concerns him.

Ms. Clair asked what the cost would be to relocate the District office to an unused site, and Mr. Blade estimated \$3 to \$3.5 million to bring the site up to code and establish the maintenance/transportation yard. That does not include the movement of the offices. She then asked if the decision to retain Swain had anything to do with the property values being lower in this area and possibly more attractive to young families, and Dr. McLellan said not necessarily. Ms. Wittenberg asked how long we would retain the additional school sites, if the committee decided to recommend that, and what factors would prompt the District to reconsider. Mr. Blade said demographics and enrollment could be reevaluated in about ten years, but that would be ten years where students would be losing the educational value of the asset. City officials project they will reach 55,000 by 2025, and this is not a high degree of growth. However, the District is assuming a 40 percent growth rate and can still handle it with the proposed plan. At some point, caution takes money away from students in the District. Mrs. Kern added that retained property has a negative value at some point because it becomes a liability, an eye sore, and an expense to the District for upkeep.

Dr. McLellan asked if there was any additional information committee members required in order to move forward with a recommendation. Mrs. Barnes said that since the main goal is to generate unrestricted funds, how much money would we lose if we kept two schools instead of one. Mr. Blade said that each school represented \$500,000 in annual revenue, which would be lost if the school is not repurposed. Mr. Robbins suggested another straw vote: 4 voted to repurpose five sites, four to repurpose four sites. Dr. McLellan said that we can bring this vote to the Board, but still need to determine specifics of the recommendation. Mr. Blade went over the plan as proposed by the District, which calls for the following action:

1. Priority use of Cawthon School property:

- a. Sale
- b. Exchange
- c. Lease
- d. Retain current use

Limits of tolerance:

- a. Current use
- b. Single family detached homes

2. Priority use of Damron School property:

- a. Exchange
- b. Lease
- c. Sale
- d. Retain current use

Limits of tolerance are:

- a. Current use
- b. Single family detached homes

3. Priority use of District office property:

- a. Exchange

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- b. Lease
 - c. Sale
 - d. Retain current use
- Limits of tolerance are:
- a. Current use
 - b. Single family detached homes

4. Priority use of Dickerson property:

- a. Lease
 - b. Exchange
 - c. Sale
 - d. Retain current use
- Limits of tolerance are:
- a. Current use
 - b. Single family detached homes
 - c. Townhomes
 - d. Condominiums
 - e. Multifamily apartments

5. Priority use of Mackay property:

- a. Lease
 - b. Exchange
 - c. Sale
 - d. Retain current use
- Limits of tolerance are:
- a. Current use
 - b. Single family detached homes
 - c. Townhomes
 - d. Condominiums
 - e. Multifamily apartments

Mr. Blade noted that in discussions with the city, officials said they are not interested in any type of development except single family detached homes, which is why the majority of the Cypress property is listed for current use or single family homes only. The Mackay property was being considered for use as a sports park. However, the city recently conducted a phone survey and based on those results there may no longer be an interest. Dickerson, in Buena Park, will continue to be used as interim housing during modernization. The City of Buena Park is more open to other uses.

The committee reached consensus to approve the District plan as presented, as one option. Mr. Blade suggested that for the plan retaining two schools, the committee keep either Cawthon or Damron, since they are both southern properties. Dr. McLellan suggested specifically that Damron be retained in this scenario. The committee reached consensus to approve retaining Damron and keeping the remainder of the District plan as presented, as the second option for property usage.

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Mr. Robbins asked if the District offices could be moved to Damron. Dr. McLellan said that it is currently leased using the offices, multipurpose room, and several classes, so there would not be enough space for the District offices.

Mr. Robbins asked the committee to set a date for the next meeting, and they reached consensus to meet again on Wednesday, November 2nd at 6:30 p.m. in the Board room. Mrs. Barnes reiterated her belief that the District needs to send notification of this meeting to the entire community, even though it is an additional expense. It was noted that the previous information was sent home with all of the students, as suggested at the last meeting.

The floor was opened for comments and questions from the audience.

Barbara Howell, Cawthon neighbor, said she is a former District employee and has lived in her home 45 years. She has seen the population dwindle and come back, noting that Damron has been closed twice and Cawthon just last year. She believes Cawthon would be a great location for the District offices, since it is on a main street.

Linda Zimmerman, District office neighbor, said she can tell the committee is not taking this decision lightly, and appreciates their dedication. She noted the District is looking at building lots on this property that are 50x90, which is 25 percent smaller than the current lot size. She requested the District retain the 60x100 lot size for houses that will back up to the current homes.

Diane Webb, Damron neighbor, noted that the previous minutes said the District had retained an attorney to investigate Measure D requirements and stated, "...the District has hired an attorney who will meet with the Board in closed session Thursday night, in order to get approval of the Board to file an action in Orange County Superior Court asking a judge to look at the measure and statutes to determine whether the District must comply with Measure D or with Government Code." She asked if the court had made a decision on Thursday. Dr. McLellan said that this referred to a meeting on Thursday of the District's Board of Trustees, who gave approval for our attorney to file the action. It has not yet been done. Ms. Webb asked if that decision would be made public, and it will. Mr. Blade added that this is not a law suit that will be filed but a request for a judge to render a decision, because it is the District's contention that Government Code applying to District property and the requirements of Measure D are in conflict. It is the District's belief that we are not bound by Measure D, so we are presenting the question for a legal decision.

Ron Howell asked if the Naylor Act had been addressed, and Mr. Blade said it was explained at the last meeting. However, until the Board takes action to declare property surplus, they cannot notify the appropriate agencies.

Carol Mercer, Damron neighbor, said neighbors are unhappy and worried about increased traffic. She is also concerned that all of the schools under consideration for repurposing are on the south side of the city.

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Elma Manos, Cawthon neighbor, has been a resident for 45 years and is a former Cawthon PTA President. She is afraid the decision to get rid of Cawthon has already been made. She would like the committee to consider the needs of the south side of the city and not sacrifice this area.

Mr. Robbins opened the floor to committee members. Mrs. Barnes asked for clarification regarding the race track and whether or not children from homes in a development there would attend Cypress schools or schools in Los Alamitos Unified. Mr. Blade said he would bring this information back, as well as information on the city's attitude on development of that property. Staff will also find out if the District office property is in the redevelopment zone.

The meeting was adjourned at 9:17 p.m.

Approved: 11/2/11

/jb