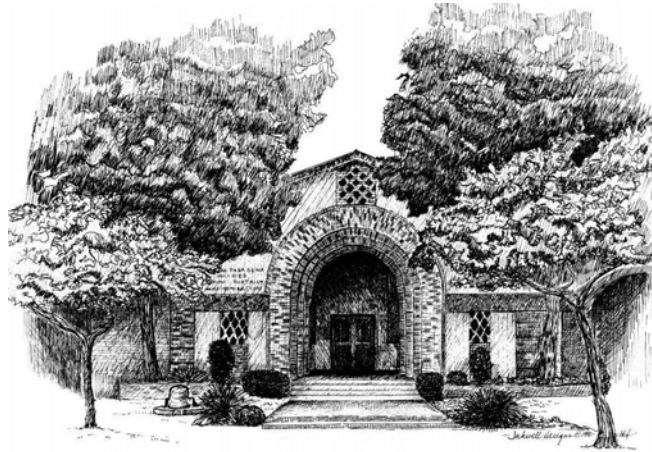


*South Pasadena Unified School District
1020 El Centro Street
South Pasadena, CA 91030*



Real Property Advisory Committee Meeting

December 8, 2008
7:00 p.m.

District Board Room

South Pasadena Unified School District
Real Property Advisory Committee

Janet Anderson
Sally Fiebelkorn
Tom Houg
Dr. Melinda Hsia
Shlomo Nitzani
Gary Pia
Claudia M. Smith
John Mayer
Eric J. Hall, Committee Advisor

South Pasadena Unified School District

Real Property Advisory Committee Meeting
December 8, 2008
7:00 p.m.

District Board Room
1020 El Centro Street
South Pasadena, CA 91030

REASONABLE ACCOMMODATION FOR ANY INDIVIDUAL WITH A DISABILITY

Any individual with a disability who requires reasonable accommodation to participate in a Board meeting may request assistance by contacting the Superintendent's Office, 1020 El Centro St., South Pasadena: Telephone (626) 441-5810.

I. PRELIMINARY

A. *Open Meeting, Call Meeting to Order* (Shlomo Nitzani)

II. PLEDGE OF ALLEGIANCE

(Shlomo Nitzani)

III. ROLL CALL

(Shlomo Nitzani)

IV. COMMUNICATION

A. *Visitor Comments* (Shlomo Nitzani)

Time reserved for those in the audience who wish to address the Real Property Advisory Committee. The audience should be aware that the Committee may not discuss details or vote on non-agenda items. However, Committee members may respond briefly. Your concerns may be referred to staff or place on a future agenda. Note: Public input will also be taken during all agenda items. In order to address the Committee, a speaker card must be submitted to the Advisor to the Committee prior to the beginning of the meeting. **Time allotted per speaker: 3 minutes.**

V. ITEMS OF BUSINESS

- A. *Approval of Minutes, November 5, 2008 Committee Meeting* (Shlomo Nitzani)

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

- B. *Update from Committee Advisor* (Eric Hall)

The Committee Advisor will provide the Committee with a verbal report and update on the events and activities that have occurred since the last meeting.

- C. *Committee Discussion of Information Provided by the Public* (Eric Hall)
at its November 5, 2008 Public Meeting

The Committee will discuss information provided by the public at its November 8, 2009 meeting

- D. *Discussions and Action on Surplus Status of District Property* (Eric Hall)
and Options Related to Future Use of Sites

The Committee will continue the discussions and deliberations on the options related to the future use and designation of surplus property for the following properties currently under consideration and review by the Committee:

- I. District Office, parking lot;
- II. District Office, office building;
- III. District Office, board room;
- IV. District Office, entire site;
- V. Oneonta School Site.

Committee members Tom Houg and Claudia Smith have provided the attached written comments and thoughts on the options and designation of properties.

It is recommended that the committee review the attached duties of the committee and discussion outline and take action on the surplus designation and priority of the properties.

a. *Motion made by second that the District Office, Parking Lot be designated as surplus*

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

b. *Motion made by second that the District Office, Office Building be designated as surplus*

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

c. *Motion made by second that the District Office, Board Room be designated as surplus*

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

d. *Motion made by second that the District Office, Entire Site be designated as surplus*

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

e. *Motion made by second that the Oneonta School Site be designated as surplus*

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

f. *Motion made by second that the properties be prioritized as follows:*

#1, _____

#2, _____

#3, _____

#4, _____

#5, _____

Approved _____ Not Approved _____

Moved _____ Seconded _____ Vote _____

E. *Future Agenda Items* (Eric Hall)

The Committee will discuss the contents and comments to be included in the draft final report to be prepared by the Advisor for Committee consideration.

F. *Future Meeting Dates* (Eric Hall)

The Committee will discuss a final future Committee meeting in January, 2009, to review and comment on the draft final report for Board consideration.

VI. ADJOURNMENT

**Staff Report
To the Real Property Advisory Committee
From the Committee Advisor**

Item V, B – ITEMS OF BUSINESS, Update from Committee Advisor

The Committee Advisor, Eric Hall, will provide the Committee with a verbal report and update on the events and activities that have occurred since the last meeting. If the Advisor has been in contact with Committee members regarding items of business he will provide the Committee with a recap of those discussions.

EJH/cw

12/8/2008

**Staff Report
To the Real Property Advisory Committee
From the Committee Advisor**

Item V, C – ITEMS OF BUSINESS, Committee Discussion on Information Provided by the Public at its November 5, 2008 Public Meeting

Several community members addressed the committee at the November 5, 2008 public meeting. Information and comments were provided regarding the surplus designations of the select properties under consideration that may be helpful in the committee's deliberation.

This item is placed on the agenda at the request of legal counsel in order for the committee to have the opportunity to discuss any information provided on November 5, 2008, that the Committee feels pertinent to its discussion and deliberations.

EJH/cw

12/8/2008

**Staff Report
To the Real Property Advisory Committee
From the Committee Advisor**

Item V, D – ITEMS OF BUSINESS, Discussion and Action on Surplus Status of District Property and Options Related to Future Use of Sites

The Committee will continue the discussions and deliberations on the options related to the future use and designation of surplus property for the following properties currently under consideration and review by the Committee:

- VI. District Office, parking lot;
- VII. District Office, office building;
- VIII. District Office, board room;
- IX. District Office, entire site;
- X. Oneonta School Site.

Committee members Tom Houg and Claudia Smith have provided the attached written comments and thoughts on the options and designation of properties.

It is recommended that the committee review the attached duties of the committee and discussion outline and take action on the surplus designation and priority of the properties.

- a. Motion by second that the District Office, Parking Lot be designated as surplus.
- b. Motion by second that the District Office, Office Building designated as surplus.
- c. Motion by second that the District Office, Board Room be designated as surplus.
- d. Motion by second that the District Office, Entire Site be designated as surplus.
- e. Motion by second that the District Office, Oneonta School Site be designated as surplus.
- f. Motion by second that the properties be prioritized as follows...

#1, _____

#2, _____

#3, _____

#4, _____

#5, _____

EJH/cw

12/8/2008

**Comments provided to the South Pasadena Unified School District
Real Property Advisory Committee, by Claudia Smith on November 6, 2008:**

These are my thoughts at this point in the 7-11 Committee process, along with some “re-cap” of information the committee has received.

Current enrollment data (as of 9/17/08) and capacity data (as of 10/28/08) indicate enrollment exceeds capacity at all schools, with the exception of Marengo --which is at or near capacity.

Data indicates capacity will be exceeded at all sites for the next several years, with projections of increased enrollment for 2009/2010 followed by decreasing enrollment –not a precipitous drop, but a slow, downward trend for several years.

Past projected enrollment data provided from independent sources has not proven to be a reliable indicator for current enrollment numbers, and does not resemble current enrollment.

Decision Insite data projected enrollment for the 2008/2009 year as 3,916, whereas enrollment as of 9/17/08 is 4,257. DI projected a drop of 3% for the current year, but the enrollment is one student less than 2007/2008, a drop of less than two-tenths of a percent.

DI further projects 2009/2010 with an additional 2.7% drop to 3811, whereas SPUSD projects an increase to 4263, a substantial difference from DI’s projection.

The capacity study shows “space” for 4,230 students with the 16 portables being utilized. Anecdotal information from facilitator Eric Hall and from Dr. Bristol indicates that SPUSD utilizes fewer portables than most other districts for excess enrollment, with 8 portables being leased and 8 portables owned by the District.

According to SPUSD projections, we would be “at capacity” in 2010/2011 with enrollment at 4,229. Enrollment as of 9/17/08 is 4,257 and is expected to increase by a few students through the school year. SPUSD enrollment currently exceeds its capacity by at least 27 students.

Removing the 8 leased portables, however, reduces SPUSD capacity to approximately 4,114 (4,230 minus 116 – half of the 232 students currently served by portables). Using this criterion, SPUSD would fail to reach “capacity” at any point through the 2013/2014 enrollment projections. Removing the additional 8 proprietary portables reduces the capacity to 3, 998.

An insufficient number of classrooms is clearly a problem in the District. While the community would prefer to not have to house students in temporary or permanent portables, the use of portables is preferable to another bond issue and cost of construction in order to accommodate a projected, temporary increase in enrollment.

A cost of approximately \$12,000 per year per leased portable seems to be an acceptable economic solution on a temporary basis. However, a cost of approximately \$100,000 per year for the 8 leased portables adds up quickly, and should not be considered a permanent solution to prolonged excess enrollment versus capacity.

The SPUSD Board Members should determine an equitable plan for the placement of portables on elementary sites based on criteria including playground space and neighborhood traffic considerations. The use of Monterey Hills as the “overflow site” has created enormous traffic problems for this neighborhood. There is only one street in and out of the area, and it is gridlocked twice a day, which is both a nuisance and a safety issue for the school and the neighborhood.

Oneonta property:

Based on the unreliability of projected enrollment data and the fact that SPUSD is currently exceeding capacity at its sites, the Oneonta property should not be declared "surplus." It should be held by the District for possible future use:

- Possible future site of District offices
- Possible future site of additional District athletic uses (fields, pool, etc.)
- Possible future site of District maintenance facilities (freeing space at SPSHS for additional classrooms)
- Possible future site of smaller K-1 education facilities (freeing space for additional 2-5 classrooms at elementary sites)
- Possible land-swap site

Based on the long history of the lease with Almanson, the statement by Almanson that they plan to stay on-site as long as the District allows them to be in residence, the compatibility of their program with the goals and ideals of SPUSD, and the assurance by SPUSD legal representatives that a "non-surplus declaration" will still allow the current and future lease of the site to Almanson (and Almanson only), the District should continue this relationship. It is beneficial to both parties –providing a feasible site for Almanson's work and a reliable and steady income to the District.

El Centro Property:

At this point, I don't believe I'm opposed to declaring the parking lot as surplus, but I'm extremely hesitant to include the District offices in that declaration. The following are just random thoughts, not leading to any particular conclusion.

District Offices:

The current building is historical and is strongly associated with SPUSD, as both a "logo" and an indicator of the history and strength of the District.

The District staff has indicated that the layout and size is not ideal.

The cost to the District for the offices is minimal, with no rent or lease payments and no State tax.

Should the building be sold, the District offices would need to be relocated. There would be unfavorable community reaction to the proceeds being used to then lease space on a permanent basis.

If the District were to lease offices in a new development on-site, the current site would have to be vacated during the lengthy construction period, and payment would be required for a temporary site.

Selling the District office building might solve a current financial dilemma, but would likely create a future one.

I anticipate several questions from the community:

“Why are we selling offices that currently cost us nothing just to turn around and use that money to lease offices we no longer own?”

“Where will the money (to continue leasing offices) come from years in the future when the proceeds of this sale have been depleted to pay off the COP and to pay years of lease payments?”

“Is the permanent cost of leasing office space helping improve the school sites or the education of the students?”

“Why is the District spending money to provide itself with office space while we’re housing kids in portables at the school sites?”

“Why did we authorize tens of millions of dollars for Measures L and M just to have the District sell our land for offices?”

Could any of these questions have answers that would satisfy the community?

District parking lot:

The lot is used for parking of various District vehicles, storage of material, parking by District staff and parking by the community for meetings held at the District office. Street parking surrounding the District offices does not allow for prolonged parking, with most of the area having 1 or 2 hour limits.

The District earns reliable income from film companies.

The lot is used for various District events such as the Fun Fair and occasional community events.

The majority of the parking lot space is unused more often than it is used.

Concerns needing to be taken into consideration with the sale, lease or development of the parking lot:

Parking for staff and community attending meetings or events at the District – note the 1-hour and 2-hour limits on street parking surrounding the District site.

Concerns for proceeds of any sale, lease, development:

The proceeds of any sale should be invested to provide long-term income to the District and not depleted just to pay down debt or other expenses.

The principal should be safeguarded in order to protect the District from further cuts by the State, and to provide an annual income to the District. A financial instrument should be utilized to both protect the principal and provide a steady interest income, which would then be used by the District for COP payment and under-funding from the State.

The District should obtain advice from independent sources on the benefits of outright sale, land-lease or participation in any development, and the benefits of various investment strategies for the proceeds of any sale.

Concerns with the Asset Management Report provided to the District are two-fold:

Did this company have an interest in purchasing any of these properties or in representing others interested in purchase?

Given the economic situation, a new appraisal is needed for any property which may be sold.

The District should solicit community input (scale, usage, appearance) in the event it participates in development of District-owned property.

Acceptable development:

Question: Does the District plan to “screen” possible development plans prior to an outright sale of the parking lot to a developer?

If yes, this creates its own set of problems as was evident in the battle over Measure SP. It probably would carry little weight with the community-at-large that the 7-11 committee represented that South Pasadena would like to see the “Mission Street gap” closed with mixed retail/residential. It would also considerably lengthen the time before the District would realize any proceeds, and would make the District staff and Board Members “targets” for blame should such development fail – whether or not the District is a partner in the development.

If no, then this portion of the 7-11 instructions seems unnecessary.

The sensible way out seems to be (if an outright sale is determined to be the right move by the School Board) to sell the property and let the developer deal with the City and the community.

EJH/cw

12/8/2008

**Comments provided to the South Pasadena Unified School District
Real Property Advisory Committee, by Tom Houg, November 6, 2008:**

The Real Property Advisory Committee was asked to analyze the School District's capacity and enrollment data, and assess whether two former elementary school sites might appropriately be classified as surplus. The district's other schools appear to be operating roughly at capacity, with long-term enrollment numbers showing a possible decline. This suggests it may be prudent to surplus one former school and retain the other as a future safety valve.

The former El Centro School site presently serves as the district's administration building and board room, with a large adjacent paved area that functions as a parking lot. The current use of the property arguably prevents the broader Mission West district from fully realizing its potential as a vibrant, pedestrian-oriented environment. Walled frontage along Mission weakens storefront continuity along that street, much like missing teeth in a smile. The site's immediate proximity to the city's Gold Line station also suggests the property is under-used. A mixed use development here as envisioned by the Mission Street Specific Plan (MSSP) is for various reasons deemed desirable.

The former Oneonta School site has been leased for several decades to the Almansor Center, which satisfies for the region the special educational needs of students who cannot be properly served by conventional schools. Its work is highly regarded by all members of the committee, though it is not officially a part of the city's school district programs.

The committee recommends to the School Board that the El Centro School block be surplus and made available for sale in its entirety, with the caveat that for historic preservation reasons the existing buildings cannot be demolished. The District should issue a request for proposals (RFP) and on the basis of those assess whether existing structures are or are not a part of any subsequent sale. By law, public agencies will be given first opportunity to purchase the land. Otherwise, it will be made available for sale to the general public.

Making the whole block available increases the potential for creative proposals by developers. These can be evaluated for their acceptability to the community, as well as their ability to maximize revenue for the District.

It's possible that District offices and board room may ultimately wind up where they are now. A developer might consider restoring the old school buildings to trigger certain development benefits per the MSSP. He might include public parking for the same reason. He might propose purchasing the entire block so as to maximize the allowable square footage of new development - potentially selling existing structures back to the District thereafter. Or he might only be interested in purchasing the vacant part of the site.

Once development proposals are received, then the School Board can assess whether district offices and board room would best remain on site (in current structures or new), or be relocated altogether. The District should work with their selected developer and finalize property sale price only once "entitlements" (city approvals) have been obtained. This will ensure the highest financial benefit to the District.

Meanwhile, the Oneonta site will not be officially declared as surplus, and though the Almansor Center will for the foreseeable future remain, this property will effectively become the district's safety valve in the event that student enrollment should dramatically increase.

EJH/cw

12/8/2008



South Pasadena Unified School District

Real Property Advisory Committee

The duties of the Advisory Committee (education code 17390)

- A. Review the projected school enrollment and other data as provided by the District to determine the amount of surplus space and real property.
- B. Establish a priority list of use of surplus space and real property that will be acceptable to the community;
- C. Cause to have circulated throughout the attendance area a priority list of surplus space and real property and provide for hearings for community input;
- D. Make a final determination on the limits of tolerance of use of space and real property;
- E. Forward to the District's governing board a report recommending uses of surplus space and real property.

Discussion Outline

Once the criteria have been established and all information as been reviewed, the following may serve as a discussion guide:

1. Should one or more of the properties under consideration be declared as surplus?
 - a. Entire District Office
 - b. District Office Parking Lot
 - c. District Office Board Room
 - d. District Office Building
 - e. Oneonta Elementary School Site
2. If the committee determines that more than one of the above sites or portions of sites are declared as surplus, what are the priority uses that will be acceptable to the community?
3. Should a property be declared as surplus by the committee, how should the site be used? (i.e. sale, joint venture, lease, continued to be leased, other business opportunity)

**Staff Report
To the Real Property Advisory Committee
From the Committee Advisor**

Item V, E – ITEMS OF BUSINESS, Future Agenda Items

The Committee Advisor will provide a recommendation on the format, contents and backup material to be provided in the final report. The draft final report will be prepared by the Advisor in consultation with the Chair and Vice Chair to be presented to the Committee in advance of its next meeting for review and comment. It is recommended that the Committee discuss the final report and provide direction to the Advisor.

EJH/cw

12/8/2008

**Staff Report
To the Real Property Advisory Committee
From the Committee Advisor**

Item V, F – ITEMS OF BUSINESS, Future Meeting Dates

The Committee will discuss a final future Committee meeting in January, 2009, to review and comment on the draft final report for Board consideration.

EJH/cw

12/8/2008