



Pathway to the Future
Since 1855

Date: 11-12-21

FAQs

District Real Property Options and the Purchase of 981 Ridder Park Property

Why is addressing the needs of our BUSD District Office a priority at this time?

As a District, we have been concerned about our aging District Office (“DO”) facility for several decades. The need for repair is now extensive and would require a considerable investment of funds. District leadership has undergone a thorough process of analysis and thoughtful discussion to create a comprehensive solution that also creates new revenue streams to sustain and improve our offerings to BUSD students, parents, teachers and staff.

We believe the time to act is now, as the cost of renovating our existing building continues to skyrocket as time goes by, as well as the cost of real estate in the expensive real estate market that we are a part of.

Which funds are being used to purchase this building?

The purchase of the building is being funded by revenues received from the development mitigation agreement with the Flea Market, Inc. These funds have been restricted by the agreement to be used for facility purposes only.

How long has the District been working on this issue and how have you provided information to the community?

The Board of Trustees has been discussing how to best meet the needs of the District Office facility since 2009.

The most recent discussions have been as follows:

- 9/4/2020 – Tony Kanastab provided an update regarding current District Office upgrade options
- 10/13/20 – Regular Board Meeting – Contracted with 3D Strategies Inc. as the real estate consultant to assist in reviewing surplus sites and recommend an analysis and utilization options for those sites
- 10/29/20 – Special Board Meeting – 3D Strategies Inc. presented and answered questions regarding surplus real estate and utilization options
- 5/15/21 – Special Board Meeting – Presentation by 3D Strategies and District legal counsel Lozano Smith regarding surplus sites and Board gave direction to obtain more information (property history, updated property analysis and fiscal plan, evaluation of future school needs, provide sample objectives and goals to potentially be used in a Request For Proposal, “RFP”)
- 6/15/21 – Regular Board Meeting – Tony Kanastab presented District Office renovation options
- 6/21/21 – Special Board Meeting Real Property Workshop – Received direction from the Board to put out a RFP exploring property exchange or leasing options of the District Office with set parameters
- 7/13/21 – Special Board Meeting – Closed session discussion of District Office property options
- 9/23/21 – Special Board Meeting – Discussion of RFP responses regarding the District Office
- 9/27/21 – Special Board Meeting – Ridder Park site visit by the Board
- 11/2/21 – Special Board Meeting – Approval of Resolution 21-07, Resolution of Approval of Real Property Located at 981 Ridder Park Drive and approval of purchase agreement

What are the benefits to purchasing the new property, rather than renovating our existing DO?

- Ridder Park is a newer property and can be obtained and renovated for significantly less than any of the current DO renovation options.
- This will allow the District to re-allocate bond funds to other school projects.
- There is a potential revenue stream from renting of current DO property. This flexible funding can be used to support our BUSD offerings to students, parents, teachers and staff.
- This approach allows for faster transition into a renovated district office. Renovation of the current DO building would take approximately 1.5 years and require staff to work in temporary housing for the majority of that time, with related costs for the temporary housing.

How do the costs of renovating compare to the cost of acquiring the Ridder Park property?

The chart below was developed by our District's Assistant Superintendent of Business Services and our facilities team. It provides an overview of the various options considered and their associated costs.



Pathway to the Future

Options	Cost to District (Purchase + Tenant Improvements)	Flea Market Funds Available	Bond Funds Available	Net Funds Available to District
981 Ridder Park	\$ 10,827,003	\$ 14,500,000	\$ 4,500,000	\$ 8,172,997
Renovate Option A	\$ 14,928,000	\$ 14,500,000	\$ 4,500,000	\$ 4,072,000
Renovate Option B	\$ 22,714,000	\$ 14,500,000	\$ 4,500,000	\$ (3,714,000)
Renovate Option C	\$ 27,054,000	\$ 14,500,000	\$ 4,500,000	\$ (8,054,000)
Minimum Upgrade Option	\$ 7,761,459	\$ 14,500,000	\$ 4,500,000	\$ 11,238,541

*Options with negative net funds require funds from another funding source

For any additional informational questions, please contact Kevin Franklin, Assistant Superintendent of Business Services, at kfranklin@busd.net