



*Pathway to the Future*



# Update on District Real Property Options

Options for Real Property in an Era of  
Declining Enrollment and Fiscal Challenges

*Presented by Kevin Franklin, Asst. Supt. of Business Services  
November 9, 2021*

# TIMELINE OF EVENTS

The Board of Trustees has been discussing how to best meet the needs of the District Office facility since 2009 (and prior). The most recent discussions have been as follows:

- 9/4/2020 – Board update regarding current District Office needs and Board direction to conduct property analysis.
- 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”))

# TIMELINE OF EVENTS

- 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 D.O. with set parameters
- 7/13/21 – Special Board Meeting – Closed session discussion of D.O. property options
- 9/23/21 – Special Board Meeting – Discussion of RFP responses regarding the D.O.
- 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



# 981 Ridder Park - \$8,000,000 + \$2,827,003 (Tenant Improvements)



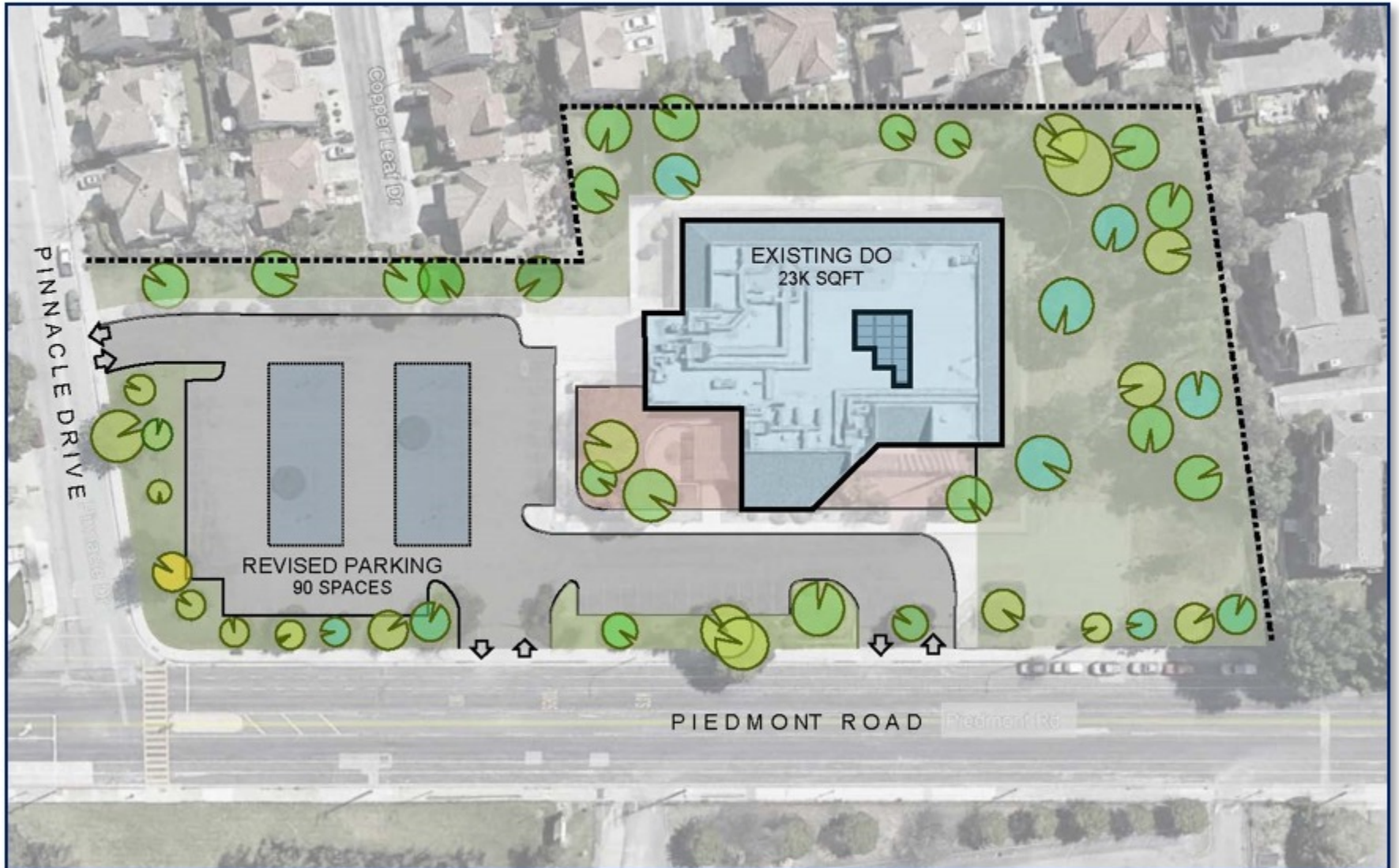


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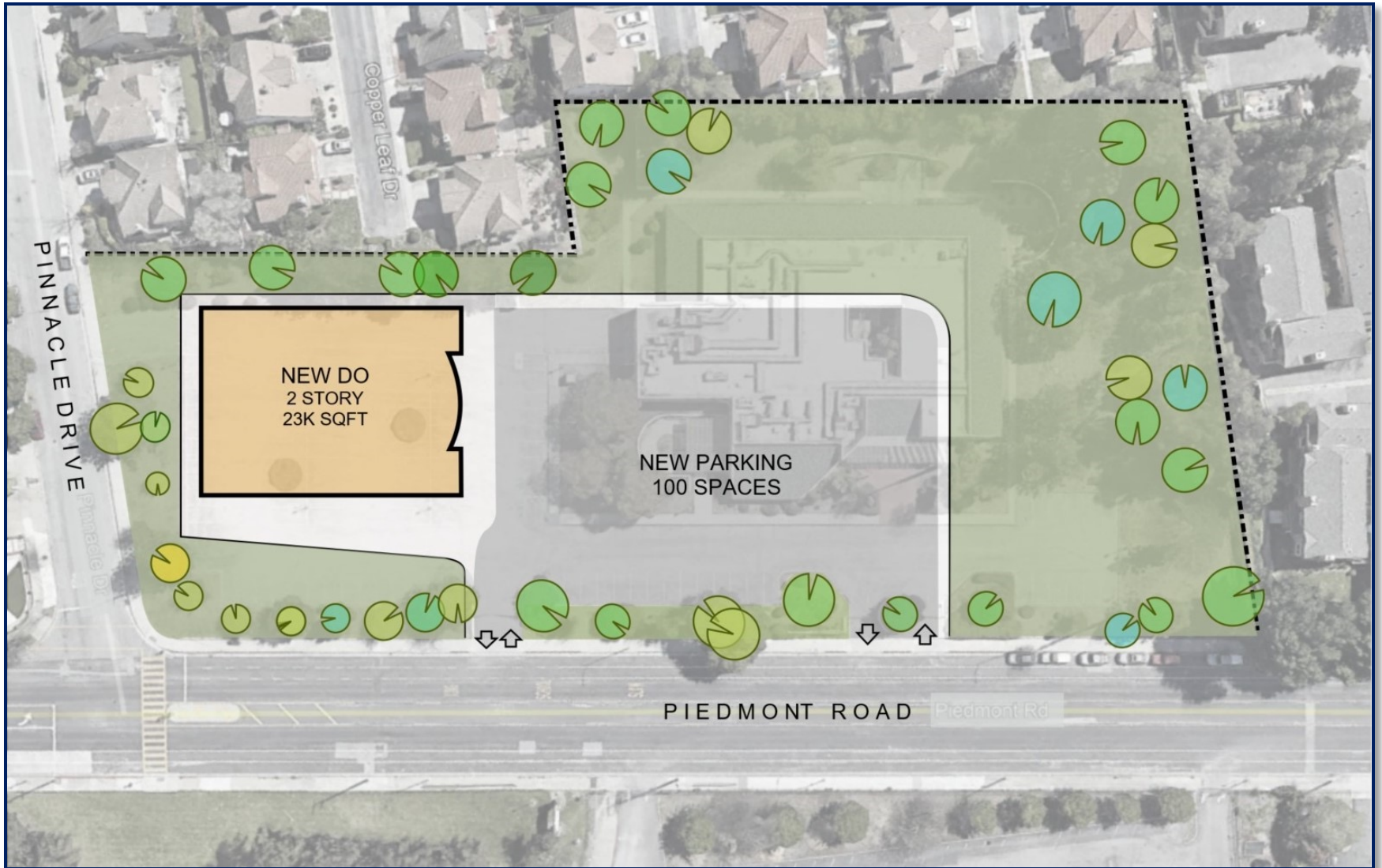
# Current District Office Options



**OPTION A – Renovation of Existing District Office**  
**Estimated Total Project Cost - \$14,928,000**



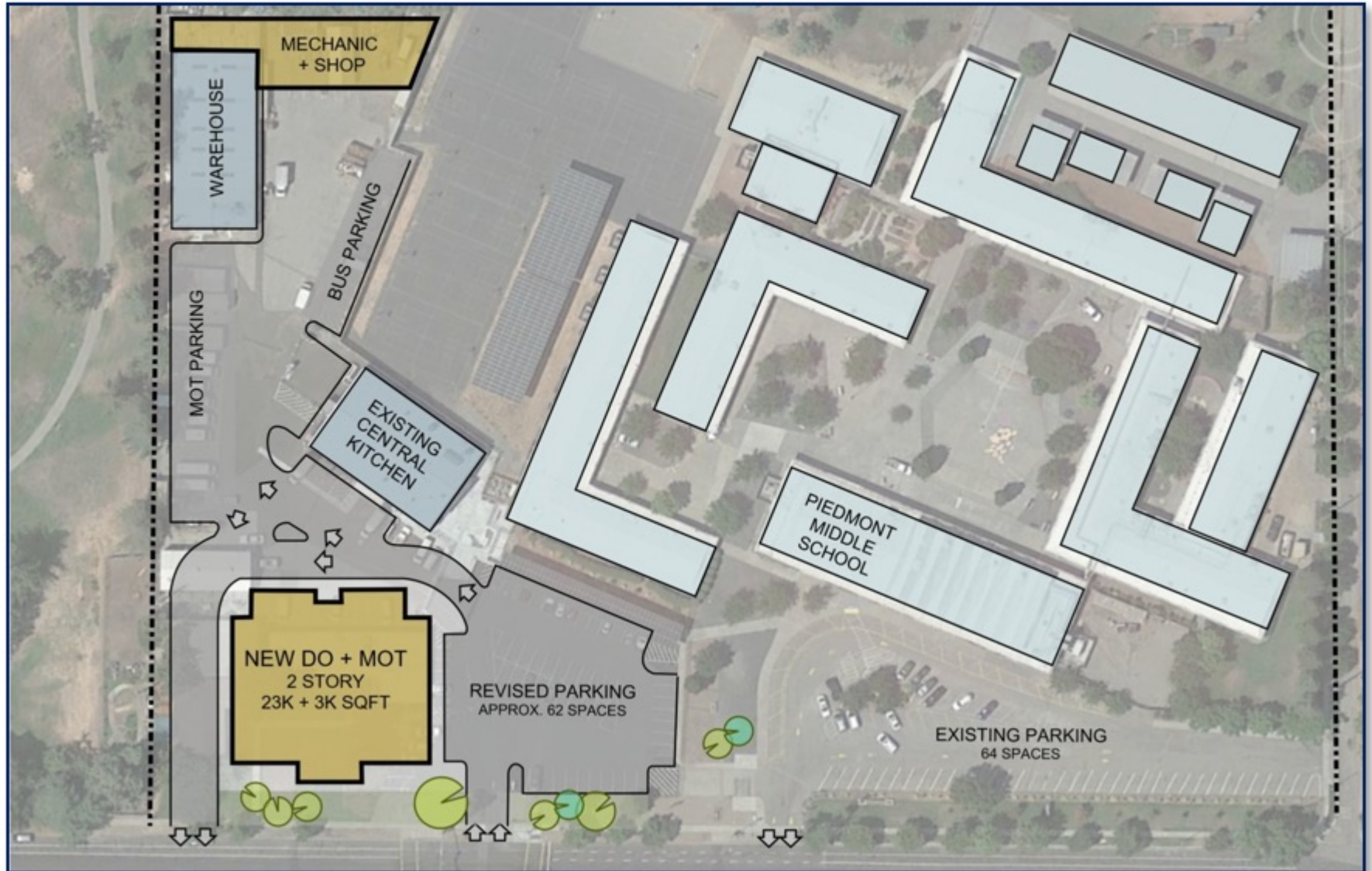
**OPTION B – New District Office Building on Existing Site**  
**Estimated Total Project Cost - \$22,714,000**





# OPTION C – New District/MOT Office on Existing MOT Site

Estimated Total Project Cost - \$27,054,000







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# Summary



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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



# Staff Recommendation

Staff recommendation was to procure the purchase of the Ridder Park property.

- 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.
- Creates a potential General Fund revenue stream by renting or leasing DO property.
- 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.

# NEXT STEPS

- Begin 60 day feasibility period including all inspections and appraisals
- Close of escrow 30 days after the end of the feasibility period
- After close of escrow, architect will begin design of the building layout (2 month process)
- Approve building layout plan with all stakeholders and begin building upgrades
- 6-8 month process to complete all upgrades and begin phased-in move of District Office staff





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# Questions