

Discuss Possible Sale of 5000 Patterson Circle (Adams property) to Caliber



Board of Education – Study Session – August 2, 2016 at 6:00 p.m.

Outcomes

- This Study Session is an opportunity for the Board to have a focused discussion regarding the possible sale of the Adams property to Caliber
- The Board will not be taking any action at this study session
- There will be an opportunity for public comment after the board discussion
- A future written agreement between the parties for the Adams property, if any, will be available for public comment prior to the Board taking action

Study Session Norms

1. We will **stay engaged** in the dialogue.
2. We **expect and accept discomfort**.
3. We will **embrace multiple perspectives** and a balanced contribution.
4. We will **speak the truth** for the good of the group.
5. We will **not personally attack, name call, use heavy sarcasm, or be generally unkind**.
6. We **will listen without judgment or disruption**.
7. We will **assume positive intentions** on behalf of everyone in the room.
8. We will **accept non-closure**.

Facts on the Adams Site

- Site consists of 8.78 acres located in Contra Costa County
- School was constructed from 1957 through 1964
- Adams previously housed up to approximately 1,200 seventh and eighth graders. Enrollment did decline in more recent years.
- Adams School closed in 2009 due to the 3-story academic building being structurally unsafe in its current condition
- The remaining structures (gymnasium/music building) are in fair to average condition for their age
- Recent appraisal of the property, valued with a restricted use as a public school, is in the amount of \$2.2M

Community Concerns

- Traffic and environmental impacts
- Safety of students, families, and neighbors walking in community
- Construction impacts on neighborhood
- Competition with nearby district schools
- Sale of public property
- Purchase price
- Financial viability of Caliber

District's Legal Obligations under Prop 39

- Prop 39 insures that all public school students share equally in district facilities, including those students in charter schools
- Prop 39 requires school districts to make “reasonably equivalent” facilities available to charter schools with at least 80 ADA upon request
- To comply with Prop 39, courts have said that school districts may need to displace other students within the District, adjust attendance boundaries and/or disrupt District programs in order to accommodate the charter students

Appellate Court Interpretation

Re: Contiguous Facilities under Prop 39

- Accommodating a charter school might involve moving district-operated programs or changing attendance areas as interpreted from the Courts*
- “reasonably equivalent” and “shared fairly” is interpreted to mean that, to the maximum extent practicable, the needs of the charter school must be given the same consideration as those of the district-run schools, subject to the requirement that the facilities provided to the charter school must be “contiguous.”
- State Board of Education adopted regulations that if school districts do not accommodate a charter school at a single school site, “the district’s governing board must first make a finding that the charter school could not be accommodated at a single site and adopt a written statement of reasons explaining the finding.” (5 CCR, § 11969.2, subd. (d).)

**Ridgecrest Charter School v. Sierra Sands Unified School District* (2005) 130 Cal.App.4th 986, 1000

Background

- Caliber was approved for 810 K-8 students by the County Office of Education in 2013
- After submitting a Prop 39 Facilities Request in 2013, Caliber co-located approximately 300 students at Stege Elementary School for 2014/15
- In 2014, Caliber requested facilities for the 2015/16 to accommodate 600 students and were co-located on the Kennedy HS campus
- Last Fall, Caliber requested facilities for the 2016/17 school year to accommodate 800 K-8 students. Additional facilities are being added to their current location at Kennedy HS this summer
- Caliber has stated that they plan to file a petition for a 9-12 but has not done so to date. A future K-8 is also being considered by Caliber.

Caliber's Request for Long-Term Solution

- The District and Caliber staff and legal counsel have spent a significant amount of time to contemplate a long-term solution for Caliber due to Caliber's sustained growth and the District's facilities obligations under Prop 39
- Caliber requested to lease or purchase the Adams site due to it not being utilized, was a prior school site, could accommodate their current and planned enrollment, and would be a permanent home for their students
- The District reviewed several alternatives

Alternatives to House 800+ Students

Site	District Activities	Estimated Cost for Improvements
Long-Term Agreement at Adams	Construct and/or renovate buildings	\$12-15 Million
Long-Term Agreement at El Sobrante	Renovate building and provide additional facilities to accommodate number of students	\$3 – 5 Million
Long-Term Agreement at North Campus	Renovate building and provide additional facilities to accommodate number of students	\$6 Million
Long-Term Agreement at Kennedy HS – current location	Co-location with Kennedy HS; shared space; limits Kennedy programs	\$300K-\$500K per year as student growth continues
Long-Term Agreement at Crespi MS	Close Crespi, displace students, and adjust attendance school boundaries	TBD
Long-Term Agreement at one of our adult schools	Not an alternative due to size	n/a
Long-Term Agreement at Stege ES	Not an alternative due to size; school closure would be required (capacity 474)	n/a

Challenges with Identifying Alternatives

- There is limited space at our schools to comply with the Prop 39 requirements, particularly for a charter school of over 800 students
- Other alternatives could displace students and services and potentially result in school consolidations, closures, and/or attendance boundary adjustments
- Due to these challenges, Adams is a viable long-term solution for Caliber

Overview of Rationale for District selling Adams to Caliber

- In exchange for the sale of the site, the District would receive a waiver of its Prop 39 obligations for Caliber's K-8 students.
- The District would not need to invest significant funds into the Adams site or an alternative site to house Caliber's K-8 students
- Caliber intends to have a second K-8 which could potentially be housed at the Adams site and relieve the District of future facility obligations

Overview of Rationale for District selling Adams to Caliber

- Since 2014, the District has spent close to \$1M for facility improvements for Caliber at Stege and Kennedy and is planning on spending an additional \$560K for the 2016/17 school year (Caliber has paid approximately \$400K in Use Fees for District facilities).
- The use of the Adams site as a school is consistent with the District's previous use
- In the event that the parties do not mutually agree to a long-term solution, the District will continue to be obligated to provide reasonably equivalent facilities on an annual basis for Caliber's current and continued growth

Key Points being Discussed

- The purchase price being discussed is \$60,000, representing an acknowledgement that the District receives the benefits of satisfying K-8 Prop 39 Obligations
- Caliber may only use site to operate a public charter school. Deed restriction on use of property for 90 years
- Caliber is willing to make an upfront investment into further seismic analysis, cost estimating, schematic design, and planning
- District would still be obligated to house grades 9-12 (800 students), if a future petition is approved

Key Points being Discussed

- Caliber must provide and demonstrate fiscal soundness and ability to complete the obligations within the agreement to construct a school
- Caliber would complete the California Environmental Quality Act (CEQA) process, along with any other required process, for the development of the site
- Caliber has offered to go through Division of State Architect (DSA) and to utilize union labor for some trades
- District can repurchase property from Caliber if property is abandoned due to inability to complete the project under certain conditions

Public Comment