

OCEAN VIEW SCHOOL DISTRICT
Huntington Beach, California

(Action)

May 17, 2005

TO: Board of Trustees

FROM: James R. Tarwater, Ed.D., District Superintendent

SUBJECT: PROPOSED USE OF PROCEEDS TO BE RECEIVED FROM THE SALE OF THE BOLSA CHICA PROPERTY

BACKGROUND INFORMATION:

The Board of Trustees approved at the Regular Board meeting, March 1, 2005, the sale of the District's Bolsa Chica property to the Wildlife Conservation Board (WCB) in the amount of \$12.3 million subject to the following conditions:

- Acquisition by the WCB of an approximately 103-acre adjacent parcel currently owned by Signal Landmark
- Approval of the WCB
- Approval of the California Department of General Services ("WCB Offer")

On April 14, 2005, the California Coastal Commission approved Hearthside Homes & Signal Landmark's application to divide three lots into 349 single-family lots and a park on the upper tier of the Bolsa Chica Mesa property (105.3 acres) with conditions the developers must follow. In addition to the sale price, Ocean View School District will receive between \$2.0-2.5 million in developer fees from Signal Landmark.

According to Al Wright, Executive Director, Wildlife Conservation Board, the acquisition of the District's 15-acre parcel of Bolsa Chica property for \$12.3 million has been placed on the May 26, 2005, Wildlife Conservation Board's agenda. The District could potentially receive funds in October 2005 from the sale of the site. Those funds may be used for modernization of schools and other capital outlay projects that the Board of Trustees determine will not reoccur for five years. Proceeds from the sale would not be available for general operating expenses of the District.

The Ocean View School District's Master Plan Priority List for School Modernizations was created by grouping schools, not only by their age and condition, but also by giving higher priority of need to those schools with the largest number of relocatables needing replacement. Priority one of the Modernization Master Plan for 2003-2013 was Harbour View School. Modernization of Harbour View was completed in 2004-2005. The next group of schools to be modernized are Marine View, Village View, and Westmont. Marine View has four older relocatables needing replacement. Four other relocatable classrooms at that site were demolished in 2002 and four replacement classrooms were rented until modernization could take place. Also at Marine View, the area above the ceiling panels in the main building has sprayed-on asbestos containing fireproofing that needs to be removed

BACKGROUND INFORMATION: (continued)

as part of the modernization of the campus. Village View and Westmont are the only two District campuses that do not have air conditioning systems. The electrical infrastructure will be replaced as part of Phase I modernization at these sites to support the installation of new heating, air conditioning and ventilation systems in Phase II. Plans for each of these three projects have been approved by the Division of the State Architect and funding allocations have been approved by the State Allocation Board.

CURRENT CONSIDERATIONS:

Exhibit A (attached) is the Master Plan Priority List for School Modernizations, 2005-2015. The Administration is proposing the following modernization time line assuming state modernization money continues to be available:

- September 9, 2005 Board of Trustees authorize modernization of Village View - Phase I (electrical and restrooms) and Marine View - Phases I and II (asbestos abatement, new ceilings, lighting, and replacement of relocatable buildings)
- September 2005 Advertise for bids
- October 18, 2005 Board of Trustees receive recommendations for Award of Contracts for Village View - Phase I and Marine View - Phases I and II
- January 2006 Request for Proposals for an architectural firm and a construction management firm for Oak View and Spring View modernization projects
- March 2006 Select an architectural firm and construction management firm for modernization of two sites - Oak View and Spring View
- Summer 2006 Begin and complete Village View - Phase I
Begin and complete Westmont - Phase II
- June 2006 through 2007 Begin and complete Marine View - Phases I and II
- September 2006 Architect prepares modernization plans for Oak View and Spring View and submit to state agencies
- Summer 2007 Phase II at Village View
- 2007-2008 Commence modernization of Oak View - Phases I & II and Spring View - Phase I
- 2008-2011 Plan and begin phases of next two projects (may include RFP process for architect and management consultant)

It is estimated the Bolsa Chica funds will be exhausted by June 2011 with six campuses left to be modernized. Long-term lease money will be the source of District match for those sites.

FINANCIAL IMPLICATIONS:

The Modernization Time Line and Funding Sources for July 2005 through June 2011 (Exhibit B), which illustrates the cash flow for the Master Plan Priority List for School Modernizations, was presented by Mary Lou Beckmann, Chief Financial Officer, at the Regular Board meeting on May 3, 2005.

SUPERINTENDENT'S RECOMMENDATION:

It is respectfully recommended that the Board of Trustees approve the proposed use of proceeds to be received from the sale of the Bolsa Chica property, the Master Plan Priority List for School Modernizations - 2005-2015, proposed time line, and information on the funding sources. James R. Tarwater, Ed.D. District, Superintendent, and Mary Lou Beckmann, Chief Financial Officer, will be available to respond to questions from the Board of Trustees.

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APPROVED: MAY 17, 2005, REGULAR BOARD MEETING