

DRAFT

TORRANCE UNIFIED SCHOOL DISTRICT
SURPLUS PROPERTY “7-11” ADVISORY COMMITTEE
(Hamilton Adult Center Property)
FINAL REPORT AND RECOMMENDATION

February 15, 2018

Submitted by: Donna Duperron
Jay Estabrook
Marianne Hamada
Ernest Lee
Brandon Matson (co-chairperson)
Jess Negrete
Nanette Nolan (chairperson)
Chris Sheck

District Liaisons: Dr. Tim Stowe – Deputy Superintendent, Administrative Services
Sandy Terrano – Sr. Administrative Assistant, Administrative Services

Legal Counsel: Andreas C. Chialtas, Esq., Atkinson, Andelson, Loya, Ruud & Romo

Background & Process

Introduction and Process

Pursuant to Education Code Section 17388, *et seq.* (the “**Code**”), before excess real property is sold or leased, the governing board of a school district must appoint a district advisory committee (“**Advisory Committee**”) to advise the governing board (“**Governing Board**”) on the disposition of such property. The Advisory Committee must consist of not less than seven (7) and not more than eleven (11) members, and must be represented by each of the following: (a) the ethnic, age group, and socioeconomic composition of the District; (b) the business community, such as store owners, managers, or supervisors; (c) landowners or renters, with preference to be given to representatives of neighborhood associations; (d) teachers; (e) administrators; (f) parents of students; and (g) persons with expertise in environmental impact, legal contracts, building codes, and land use planning, including, but not limited to knowledge of the zoning and other land use restriction of the cities or cities and counties in which surplus space and real property is located. The Advisory Committee's task is to review data to determine the amount of surplus space or real property available, establish a priority list for its use, provide community input on acceptable uses, and forward its recommendations to the Governing Board.

On May 15, 2017, the Governing Board of the Torrance Unified School District (“**District**”) took action and approved the appointment of an Advisory Committee. Based upon Governing Board’s authorization, the District appointed the following individuals to the Advisory Committee:

1. Donna Duperron
2. Jay Estabrook
3. Marianne Hamada
4. Ernest Lee
5. Brandon Matson
6. Jess Negrete
7. Nanette Nolan
8. Chris Sheck

Therefore the committee consists of eight (8) individuals who, collectively, meet all the required categories of representation.

Between October 10, 2017 and February 15, 2018, the Advisory Committee held four (4) public meetings, including a public hearing, for the purpose of determining whether the Property (as defined below) should be declared “surplus,” and, if so, to establish a priority list of uses of the Property that would be acceptable to the community.

Property Reviewed and Background Information

The Governing Board appointed the Advisory Committee for the purpose of review the following District owned property (the “**Property**”):

Approximately 10.05 acres of real property located at 2606 West 182nd Street, Torrance, CA 90504, known as the Hamilton Adult Center. The Property is depicted in **Exhibit A**, which is attached hereto.

The District is currently using the Property for an Adult Education Center and a Special Education Transition Program. With respect to the Adult Education Center, the District provides various classes to adults in the community during the day and at night. Currently, less than 20% of students attend evening classes. Prior to using the Property, the District held adult education classes at several different District sites. If the District decides to sell or lease the Property, the District can move the adult education program to other District sites. The funding for Adult Education Center is based on student enrollment and will not change if the District relocates its adult classes. The Special Education Transition Program was transferred to the Property approximately three years ago. This Program services 18-22 year old students to help them transition to independency. This Program can also be moved to different District properties. Students participating in this Program are provided transportation by the District which the District will continue to provide if the Program is relocated.

The Committee also noted that the District’s total student population is decreasing and expected to continue to decrease through 2026. Further, current District school sites have capacity if student population grows unexpectedly. Thus, the District’s current and projected enrollment does not suggest that the District must acquire new property or maintain current real property to accommodate students now or in the foreseeable future. Even if the District needed additional space for student enrollment, the Property is not permitted to be used as a regular school site by the State of California without major upgrades, and the District has no funding for such upgrades and no other need for the Property.

In addition to the District’s use of the Property for the Adult Education Center and the Special Education Transition Program, the ball fields on the Property are currently used by the North Torrance Little League and North Torrance Girls Softball League. Although it is not a requirement, the District has noted it is willing to relocate the North Torrance Little League and North Torrance Softball League if the District decides to lease or sell the Property.

Before the Property, or any portion thereof, can be disposed of, the Governing Board must first decide whether the Property, or any portion thereof, is surplus property. In connection therewith, the Governing Board has appointed the Advisory Committee to seek the input of the community and make recommendations to the Governing Board based on such input.

Public Meetings

The Advisory Committee held public meetings on October 10, 2017, November 13, 2017, January 9, 2018, and February 15, 2018 to discuss whether the Property should be declared to be surplus property and, if so, to establish a priority list of uses of the Property that would be acceptable to the community. The public meetings were properly noticed public hearings, which took place at the Property.

During the public meetings, the Advisory Committee reviewed current and projected District wide enrollment and capacity, discussed and received extensive community input on potential uses for the Property. The Advisory Committee also discussed additional background information regarding the current uses of the Property and how the District would relocate these uses. The District provided “meeting minutes” for each of the public meetings which summarize the items discussed and information reviewed by the Advisory Committee, which are attached hereto as **Exhibit B**. Below is a summary of each meeting.

1. October 10, 2017 Meeting

During this first meeting, District staff and legal counsel provided an overview of the Property, including a report discussing the value of the Property (“Valuation Report”), the Property’s Title Report, and a summary of the District’s current uses of the Property. District staff also reviewed the enrollment of all adult school sites in Torrance as well as the current and past enrollment of the District’s K-12 school sites which indicates the District has declining enrollment, projected to continue through 2026. The District’s legal counsel also provided an overview of the surplus property procedure and the Advisory Committee’s duties and obligations.

Several members of the community attended the first meeting and made comments. Specifically, attendees mentioned the importance and value of the ball fields on the Property as well as the work that the North Torrance Little League put into maintaining the fields. A community member also questioned the District’s valuation of the Property, suggesting the Valuation Report includes many “ifs” and raised concerns about rezoning the Property if it is sold. In response to some questions about how the District selected members of the Advisory Committee, District staff discussed the requirements of the Education Code which establishes the seven categories of community members that must be represented on the Advisory Committee and each member stated which category they represented.

Finally, the Advisory Committee established the topics and information to be discussed at the next meeting. Specifically, the Advisory Committee asked for information regarding the adult education classes currently held on the Property, including who is attending, the District’s operational expenses to run the programs, and possible relocation properties. The Advisory Committee also planned to discuss other potential District uses for the Property and possibly splitting the Property so part can be developed while the remaining stays with the District. Finally, the Advisory Committee discussed exploring possible alternative uses for the Property’s ball fields.

2. November 13, 2017

During the second meeting, Dr. Wayne Diulio, Director of Adult Education, appeared to address questions regarding the Adult Education Program at the Property. Dr. Diulio discussed the programs offered to adults, student enrollment, demographic and how the programs are funded. During this discussion, Dr. Diulio informed the Advisory Committee that adult education can legally take place anywhere and at one time took place on every District campus until it was centralized. The Special Education Transition Program was transferred from the “Torrance Triangle” property located near the District office to the Property three years ago. Students attending the adult program are 18-22 years old and learning to transition to independency.

In regards to potential relocation, Dr. Diulio suggested that the Levy Adult Center has the most space to absorb the Adult Education Program but El Camino Community College does not have room. Dr. Diulio also noted that other adult education sites in the area include the South Bay Adult School in North Redondo and Centinela Valley Adult School in Lawndale. With respect to funding, Dr. Diulio indicated the Adult Education program is self-funded through the South Bay Consortium and the Adult Education Block Grant and is considered a non-profit organization. The funding is based on salaries and operating costs and follows student enrollment so funding will not be lost if the Adult Programs are relocated. Finally, Dr. Diulio confirmed that no classes at the Property have been moved in anticipation of the closing of the Property.

District staff also addressed the District’s current use and needs for the Property in more detail. According to staff, the District has no other need for the Property beyond its current use and cannot be reopened as a school because the buildings do not comply with current applicable regulations, based on where the Property is located. In response to questions from the community, District staff also estimated it would cost between \$10,000 and \$15,000 to complete a study regarding potential alternative uses. Finally, District staff confirmed that the District would relocate all programs on the Property if it is sold or leased, including the adult education and special education programs, and has noted it is willing to relocate the North Torrance Little League and North Torrance Softball Leagues, even though it is not obligated to do so. For the special education students, the District provides transportation on District buses and will continue to do so.

Members of the Advisory Committee also asked clarifying questions during this meeting. In response, District legal counsel addressed the District’s options if the party leasing the Property fails to pay. District legal counsel indicated that the lease will involve a financial institution who will be responsible for any outstanding payment. The Advisory Committee also discussed the option of selling a portion of the Property without the fields in which case, District counsel explained the District would likely receive less money for such a sale and would have to enter into a separate agreement to allow the purchaser to enter the ball fields so it can access the sold portion of the Property.

District staff also addressed further comments and questions from community members attending the meeting. Several people mentioned document requests submitted to the District pursuant to the Public Records Act (“Act”) request and staff indicated it would review and make sure the District responds to all requests as required by the Act. In response to inquiries regarding the Property appraisal, District staff explained that the appraisal was completed prior to the Advisory Committee because it takes about six weeks to complete so waiting until the Committee met to start the process would require the Advisory Committee to delay its review. District counsel also noted the Advisory Committee received excerpts of the Appraisal during the first meeting. Finally, District staff explained that the Levy Adult Center was remodeled because middle school students used it when Hull Middle School was rebuilt, which required the District to ensure Levy meet applicable regulations.

3. January 9, 2018 Meeting

The Priority Use List that was circulated prior to the January 9, 2018 meeting is attached hereto as **Exhibit C**. Prior to the public hearing scheduled for this meeting, District counsel provided a PowerPoint Presentation to the Advisory Committee and the public, which summarized the prior meetings, reviewed the legal requirements of the Advisory Committee and the surplus property procedure, and discussed the possible future actions of the Advisory Committee. Specifically, Advisory Committee will provide a final report which will summarize the Advisory Committee's recommendation to the Board who will then ultimately make a determination regarding the Property. District counsel also provided sample reports for the Advisory Committee to review.

During the public hearing, thirty seven (37) members of the community made comments to regarding the Property. These community members unanimously spoke in favor of the District keeping ownership of the Property. Many of the comments addressed the value of the ball fields on the Property. Individuals involved with the North Torrance Little League and North Torrance Girls Softball League discussed the importance of these leagues, their history with the surrounding community, and the work people associated with the leagues have put into maintaining the ball fields throughout the years. Many community members also mentioned that the ball fields are used for various organized sports which benefit the local community and specifically the community's children. The work and money provided by various people to maintain and promote the use of the ball fields was also mentioned.

In addition to providing a place for the leagues and organized sports, many people spoke about the benefit of having ball fields for community and youth recreation. The benefit of having open fields and green space in the community was also discussed.

Community members also expressed concern about the effect that moving the programs currently on the Property will have on the other sites. Specifically, the community mentioned increased traffic congestion and how increased enrollment on these sites may hurt the District's ability to enroll additional students. Some comments suggested that moving the special education program could have an adverse effect on the participants.

Some community members also commented about the District's overall process to assess the Property and stated that the District is focusing too much on statistics and not enough on the impact that the Property and its current uses has on the local community, including students of the District. A community member also stated that selling the Property may be a violation of civil rights. Finally, some community members questioned the transparency and community involvement in the process, suggesting the District should make a greater effort to inform the community and consider their concerns.

After the public hearing, the Advisory Committee asked further questions to District staff and legal counsel. In response, District staff indicated that the Adult Education Program is self-sustaining but cannot use K-12 funds. District staff also confirmed that the Property could not be used for K-12 students without significant upgrades to comply with applicable laws and obtain approval from the California Department of Education. In response to questions about enrollment, staff indicated that the District currently allows students from other districts to attend District schools, known as "permit students" and, if the District's in-District enrollment increases, despite the decrease in enrollment predicated, the District will decrease the number of permit students with no loss of revenue.

District staff also confirmed the District complied with the legal notice requirements for all meetings by posting notice of the two non-public hearing meetings seven two (72) hours in advance and publishing

notice of the public hearing meeting in the Daily Breeze. An Advisory Committee member also asked if the District considered choosing Levy Adult Center or Griffith Adult Center for potential surplus property. District staff indicated it would provide further information regarding these sites at the next meeting.

Finally, District staff discussed its potential plan to relocate the ball fields if the Property is sold or lease, which will involve forming a Committee with representation from the leagues currently using the fields, hiring an architect, and presenting a recommendation to the Board who will ultimately decide how to relocate.

3. February 15, 2018 Meeting

At the February 15, 2018 Meeting...*[add summary of any public comments and committee discussions and action]*.

Consideration and Impacts

As provided in the meetings discussed above, the Advisory Committee considered, and was influenced by, the following:

1. comments from the community;
2. statistics regarding the District enrollment history and forecast; and
3. personal experience.

The Advisory Committee also discussed the option of seeking a waiver from the State Board of Education (“SBE”), which would allow for direct negotiations with interested entities for the lease or sale of the Property instead of requiring a public auction. The Advisory Committee considered the waiver and made the following recommendation:

The Committee felt that seeking a waiver was acceptable and that direct negotiations could be beneficial rather than, or in addition to, the District conducting a public auction. The Advisory Committee hereby unanimously agrees and consents to such waiver process, and agrees it does not need to re-convene in the future to make any other determinations related to such waiver process.

Final Determination & Recommendation

After careful consideration and deliberation, the Advisory Committee determined that the District has no educational, administrative, or operational need for the Property, presuming programs are relocated; therefore, the Property should be declared surplus property. Accordingly, the Advisory Committee recommends to the Governing Board that the Property should be disposed of in accordance with the Priority Use List adopted by the Advisory Committee; therefore, the following recommendations, in this order, apply to the Property:

1. Ground Lease of the Property pursuant to California law at the Property's highest and best use value.
2. Sale of the Property pursuant to California law at the Property's highest and best use value.
3. Leave the Property As-Is.

Other Considerations

The Committee recommends that the District relocate the North Torrance Little League and North Torrance Girls Softball League to fields in the North Torrance area that meet the needs of the leagues and provide the similar opportunities and benefit as the Property's ball fields. The Committee also recommends that the District relocate the Adult Education Center and a Special Education Transition Program in a way that best serves the people who rely on these programs. In order to move these programs and provide adequate facilities for the District, the Committee also recommends the District relocate five (5) classrooms to another site to support these and other District education programs.

...[add any additional considerations, if any]

EXHIBIT A

[Depiction of Property]

EXHIBIT B

[Meeting Minutes for Each Meeting]

EXHIBIT C

[Copies of the notice of the Public Hearing with Priority Use List]