



# **SWEETWATER**

## **UNION HIGH SCHOOL DISTRICT**

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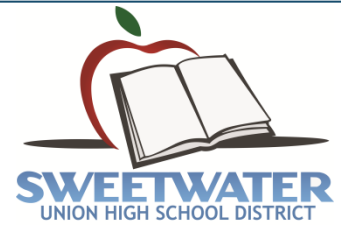
### **ASSET UTILIZATION PLAN**

**PRESENTED BY:**

**MR. THOMAS CALHOUN**  
**CHIEF FACILITIES EXECUTIVE**

**MRS. KAREN MICHEL**  
**CHIEF FINANCIAL OFFICER**

# Basic Assumptions of L Street Purchase:



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- Real Estate values would be flat or appreciate in near future
- Access to Redevelopment funds
- City support for District Office/Corporation Yard at L Street
- Title held by California Trust for Public Schools
  - Access to Variable Rate Demand Bonds
- Exchange Agreement with Plan 9 Partners (PNP)
  - Involving other District properties (3rd Ave, Moss St., 5th Ave.)
  - Funds derived from excess District properties used to defease Variable Rate Demand Bonds
  - Total completion in 2-3 years from purchase of L Street **2/1/2005**
- Letter of Credit supporting interest payments until property developed
  - Union Bank

## 3<sup>rd</sup> Ave.

Owe: Zero  
Entitled Value: \$7M  
Net Proceeds: \$6M

## Moss St. North and South

Owe: Zero  
Value: \$1.6M  
Credit: \$1.6M

## 5<sup>th</sup> Ave.

Owe: Zero  
Entitled Value: \$7M  
Net Proceeds: \$6M

## L St.

Owe: \$33.65M  
Value: \$17.7M  
Entitled Value: \$40 M  
Net Proceeds: \$5M

## Dist. Office

\$14M

## Corp Yard

\$TBD



Current District Offices – 4 locations/30+ buildings  
Proposed District Office – 1 location/1 building



Fifth Avenue Facilities built 1947-76 (**14 buildings/3 trailers**) houses the Board, Superintendent, Curriculum, HR, Finance, Facilities, Food Services, Purchasing, Student Services, Warehousing and **parts** of Maintenance, Safety State/Federal Programs and Transportation.

L Street offices built 1965-2002 (**4 buildings**) houses Athletics, Compliance Officer, Special Services, Testing & Evaluation, VAPA, PDC **parts** of Maintenance, Safety and Transportation.

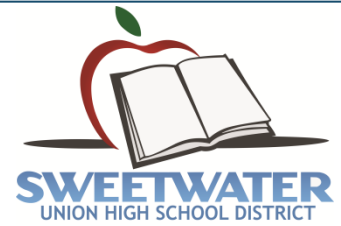
Moss Street South (**7 portables** installed from 1980) houses Alternative Education, Career Technical Education and the Pregnant Minor Program.

Moss Street North built in 1952 (**2 houses/5 portables**) houses Parent Center, CTE storage and part of State and Federal Programs.

- Inadequate spaces that have outlived their usefulness
- Split operation is not conducive to effective school support
- Opportunity to save general fund utility costs with more efficient building systems
- Reduction of maintenance costs with refreshed facilities

860 Harold Place – 10 year old concrete tilt up facility with newer HVAC system.

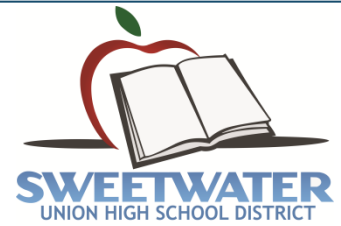
# Proposed Plan to address L Street:



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- Secure Letter of Credit for additional 18-24 months
- Develop all District properties to highest and best use, including entitlements for residential or mixed use
- Work in partnership/collaboration with City of Chula Vista
- Utilize funds from excess properties to secure District Office and Corporate Yard
- Utilize District's Financing Corporation to hold title of L Street
- Separate all arrangements with Plan 9 Partners and California Trust for Public Schools

# Timeline:



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13/14

Entitle 3<sup>rd</sup> Ave  
City Council  
11/19/13  
Sell 3<sup>rd</sup> Ave

Lease-Purchase DO  
860 Harold Pl.

Continue  
Entitlements for 5<sup>th</sup>  
Ave.

Develop L street  
plan/entitlements

14/15

Establish viable Corp  
Yard sites

Tenant Improvements  
DO/860 Harold Pl

Complete Entitlement  
Process for 5<sup>th</sup> Ave

Continue Entitlement  
Process for L street.

15/16

Tenant Improvements  
Corp Yard

Complete Move into  
DO/860 Harold Pl

Sell 5<sup>th</sup> Ave

Complete Entitlement  
for L Street

16/17

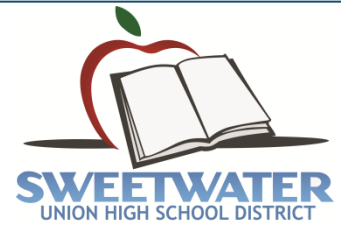
Move to Corp Yard

Purchase DO  
860 Harold Pl

Sell L St.  
Use Moss Street Quimby  
Credits to enhance value

6/10/2014

# Flow of funds from Excess Properties:



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Property	2013/14	2014/2015	2015/2016	2016/2017
3 <sup>rd</sup> Ave	+6m			
Moss St. (North and South)				+1.6m (credit)
5 <sup>th</sup> Ave.	-250k (fees)		+6m	+545k exchange
L St.	-500k (fees)	+300k (rent)	+300k (rent)	+5m
District Office (New)	-2m (TI-Fund 40)	- 200k (lease) - 2m (TI-CFD)	-550k (lease)	-9.6m (purchase)
Corp. Yard (New)			-4m (TI)	-500k (lease)
PNP	-125k	X	X	X
Cash Flow	+3.125m	-1.9m	+1.75k	-2.955m=+20k

6/10/2014

# Next Steps:



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- Lease-Purchase Agreement for DO – June Board Meeting
  - Tenant improvements
- Fees for Project Management – Ongoing
- Consultants/City Fees - Ongoing
- Sell 3<sup>rd</sup> Avenue Property – June Board Meeting
- Continue Entitlements for 5<sup>th</sup> Ave. and L St.





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### **ASSET UTILIZATION PLAN**

**QUESTIONS?**

**COMMENTS?**