



Lease/Exchange:

Vincent Children's Center Property

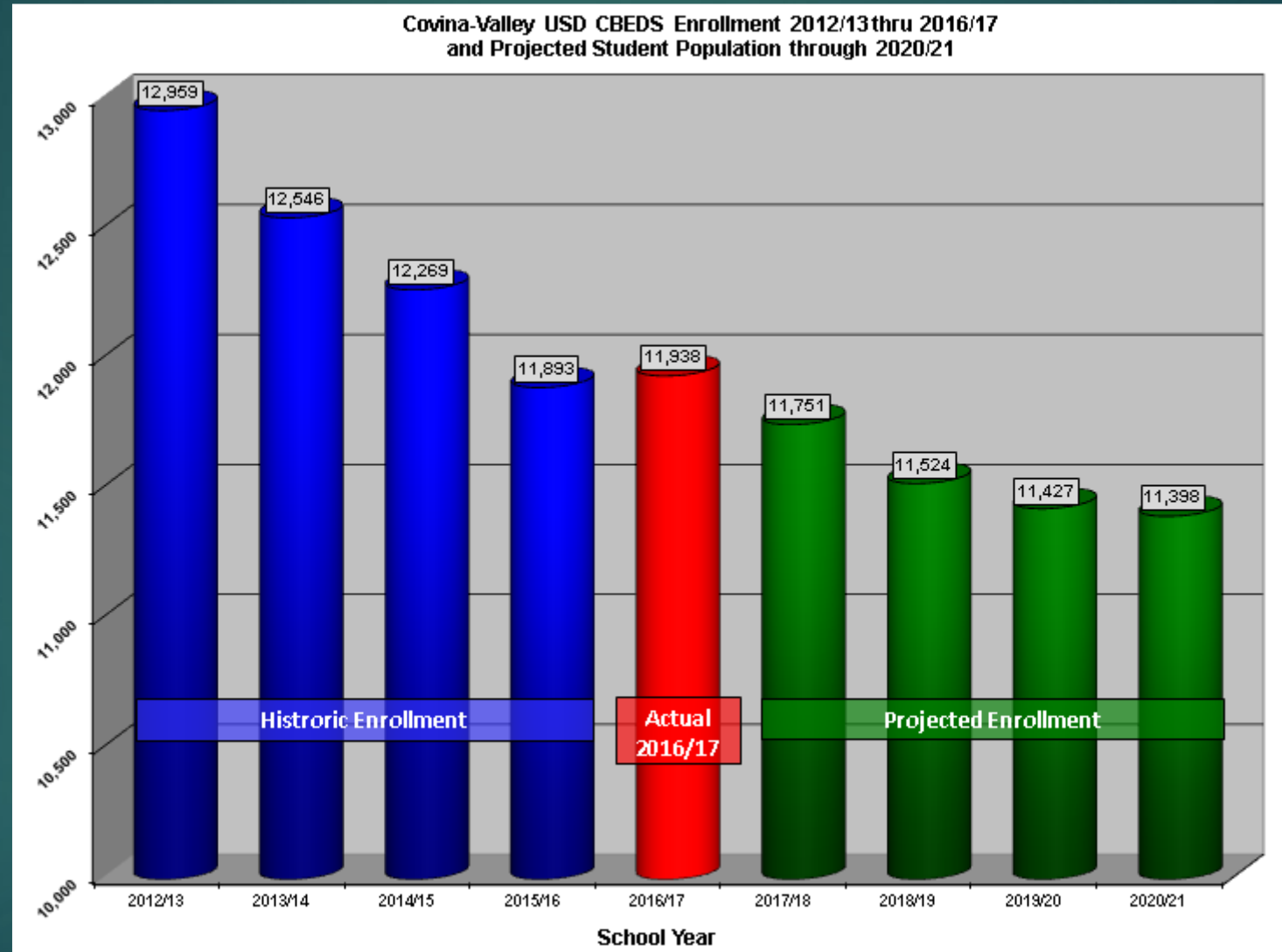
COMMUNITY MEETING

AUGUST 15, 2017

Agenda

- ▶ Enrollment
- ▶ History
- ▶ Marketing Results
- ▶ Looking Forward

Declining Enrollment



Declining Overall Enrollment

HISTORY

District Advisory Committee (DAC)

- ▶ Declining enrollment led to a desire to cut overhead by reducing the number of sites operated while generating unrestricted general fund revenue which can be spent on students
- ▶ Convened by a Board of Education Resolution on May 6, 2013
- ▶ DAC held three meetings to discuss various C-VUSD properties
 - ▶ First Meeting - September 17, 2013
 - ▶ Second Meeting - September 24, 2013
 - ▶ Third Meeting - September 30, 2013
- ▶ DAC presented recommendations to the Board of Education including declaring that VCC was excess property

Surplus

(adjective) To have more
than you need.

HISTORY

Declaration of Surplus Property and Intent to Lease

- ▶ Property Declared Surplus- Resolution 15-16-10 on September 21, 2015
- ▶ Bid opening at public Board meeting - April 18, 2016
 - ▶ RESULTED IN 1 BID THAT HAD TO BE REJECTED UNDER CALIFORNIA PUBLIC CONTRACT CODE
- ▶ Community Meeting April 21, 2016
 - ▶ Input included requests that the District add other development opportunities beyond just an auto dealership
- ▶ Resulted in a complete rewrite of the Request for Proposal to include lease or property exchange to maximize the potential bidding pool and value to students of the District



Renewed Efforts & Marketing Results

- ▶ Naylor Act Notices sent August 29, 2016 to all required entities
- ▶ Request for Proposal (RFP) Bid Period 2/22/17 - 3/24/17
- ▶ Advertised on Loop.net, District website, and Re/Max websites
 - ▶ 6,793 property clicks on the Multiple Listing Service (MLS)
 - ▶ 127 downloads of the bid packet
 - ▶ 1 site walk with prospective bidder
 - ▶ **5 sealed proposals received**
- ▶ Bids received through previous RFP = 1

Process

- ▶ March 27, 2017 District administration met with VCC site community to discuss renewed process moving forward.
- ▶ March 30, 2017, District administration, District Realtor, and District's legal counsel will open and review submitted proposals and prepare a summary and recommendation to be presented to the Board on April 17, 2017.
- ▶ At the April 17th meeting, the Board may then direct District administration to seek additional information from the proposers. The public will have the opportunity to provide the Board with their input on the recommendations during public comment.
- ▶ May 8, 2017 District administration met with VCC site community to report the results of the bid opening

Process

- ▶ District administration will present a final recommendation to the Board within this timeframe (no earlier than May 17, 2017), and the Board will vote to select the successful proposal.
- ▶ During the negotiation period all or portions of the proposals may not be available to the public in order to preserve the District's ability to negotiate with the proposing parties. (*Michaelis, Montanari & Johnson v. Superior Court*, 38 Cal.4th 1065.)
- ▶ A final contract or contracts will be presented to the Board at a public Board meeting, during which the public will have the ability to comment.

Bid Results

▶ Lease Proposals (2)

▶ **Irvine Asset Group** - \$685,000/yr

- ▶ 99 year term
- ▶ 60 day due diligence period with 30 day extensions
- ▶ Multifamily housing with affordable housing component

▶ **P.T. Enterprises, LLC** - \$675,000

- ▶ 10 year term with eight separate five year renewal terms
- ▶ 12 month due diligence period with 12 month extension
- ▶ Car Dealership

Bid Results

- ▶ Exchange Proposals (3)
 - ▶ **Sheldon LLC** - \$18M (verbally stated, not in proposal)
 - ▶ Will find single or multiple commercial properties
 - ▶ Two month feasibility, 14 month entitlement period, 15 month escrow
 - ▶ Medium density residential
 - ▶ **M&A Gabe L.P.** - \$18M (calculated on revenues)
 - ▶ Offers two single tenant commercial properties (\$319,583 and \$602,732 rent per year)
 - ▶ No feasibility period included, 60-90 day escrow
 - ▶ Mixed use commercial/residential
 - ▶ **Warmington** - \$18.3M (stated)
 - ▶ 6 month diligence, then hard money, Escrow 30 days.
 - ▶ Lowest density residential proposed

Recommendation

ORIGINAL CONSIDERATION

Greatest economic value for the children of Covina-Valley Unified School District.

REVISED CONSIDERATIONS

Greatest economic value for the children of Covina-Valley Unified School District.

Community input at 2 meetings

RECOMMENDATION TO THE BOARD

As a result of the initial bids, and direct negotiations with the strongest bids, administration is recommending the Warmington Residential exchange to the board August 21, 2017 or later.