

**SAN MARINO UNIFIED SCHOOL DISTRICT
7-11 ADVISORY COMMITTEE
SEPTEMBER 1, 2010**

1. Call to Order

Dr. Gary Woods called the meeting to order at 7:10 p.m. in the District Office Board Room.

Committee members present were: Mustapha Baha, Karla Domier, Isaac Hung, Vanessa Koo, Kevin McDonnell, Rary Simmons, Steve Talt, and Jerry Wang. Greg Forgatch was absent. Board Members present were: Chris Norgaard and Joseph Chang. District staff members present were: Dr. Gary Woods, Superintendent and Julie Boucher, Assistant Superintendent, Business Services. Lindsay Thorson of Atkinson, Andelson, Loya, Ruud & Romo, District legal counsel representative was also present.

2. Approval of Agenda – The agenda was approved. Motion: Mrs. Simmons, Second: Mr. McDonnell.

3. Approval of Minutes

The minutes from the August 18, 2010 meeting were approved with noted corrections. The corrected minutes will be posted on the District’s website. Motion: Ms. Domier, Second: Mr. Baha

4. Public Hearing – Stoneman Property

Dr. Woods opened the public hearing.

Mr. Dave Lipps, Community Member – Mr. Lipps commented on the proposed action. Priority #1 is acceptable, Priority # 2 and # 3 are not acceptable to the community. The only acceptable option is to lease Stoneman to the City of San Marino.

Mr. Babak Parwar, Community Member – Mr. Parwar stated that the Stoneman property is an asset, it is historic, and it is valuable for day-care and after-school activities sponsored by the City Recreation Dept. He stressed the importance of allowing the site to provide the District with positive cash flow and encouraged the District to position itself accordingly. He is not sure why the District is considering selling the property as the monies will run out. He appreciated the work of the Stoneman Task Force. He encouraged the District to seek a “triple net lease” with the City of San Marino. Residents would be very upset if Priority #2 and/or #3 were considered. He concluded by saying that there will be significant public opposition to any other entity leasing or owning Stoneman other than the City of San Marino.

Mr. Fred Sohl, Community Member – Mr. Sohl noted that priority # 2 (philanthropic organization) and # 3 (residential development) are not acceptable. He referenced his written correspondence and the recent article in the San Marino Tribune about this topic. He suggested that the best and highest use is Priority #1 and he would like Priority # 3 removed.

Albert Lazzarini, Community Member, Mr. Lazzarini wanted to know what the extra monies from the lease of Stoneman will be used for. He expressed concern that once the monies are gone they are gone forever and the budget crisis is long term.

There were no more public comments. The public hearing was closed.

5. Approval of Final Language for Priority Use of Stoneman Property

Ms. Koo provided written comments on the priority use of the Stoneman site. Her written comments will be entered into the public record as correspondence. In her written comments, read aloud at the meeting, Ms. Koo emphasized that the property is a benefit to the San Marino community and right now the District is facing a budget crisis/storm. For the benefit of the community, the City should step in and lease the property. She suggested that the City and District enter into a 99 year lease and for the School Board to negotiate a lease at present value terms.

Mr. Talt asked for the record to submit the email correspondence received from the McGregors, George Stoneman M.D., Fred Sohl, and Ms. Koo.

Discussion ensued among Committee members regarding the priority use list approved at the August 18th meeting. Mr. Baha asked what is on the table with the City. Dr. Woods responded noting that a proposal had been received from the City of San Marino. Dr. Woods asked Ms. Thorson to provide the Committee with the steps that will need to take place before a lease could be negotiated with the City of San Marino for the Stoneman property.

The Committee discussed the options of sale, lease, and exchange. Mr. Wang noted that a sale ties the District to spending the funding for capital projects. Members' questions and comments included: Why hold surplus property? There was agreement that a residential development is not the best option and that the property is surplus based on the statistics provided. The City should have the property, but at what cost? The City should consider paying a premium for the property for it to stay in the community. Discussion continued regarding the alternatives. The Committee needs to be clear in its desire to provide specific language. Need clarification on the Committee's recommendation to the Board and does the 7-11 Committee need to come up with steps and only one option? Ms. Thorson provided responses to the questions asked by the Committee members.

Further questions and comments by Committee members included: Is the City paying market value for the property? There has always been a symbiotic relationship between the City and School District. The City has worked to help the schools. The City maintains one year's budget in reserve because of times like when Proposition 13 passed and if they were to sell Stoneman it would impact their reserve.

Mr. Talt provided clarification that it is not the Committee's responsibility nor does it have the time to discuss terms, negotiations, details, etc. of the deal. This is for the experts. The 7-11 Committee is an advisory committee.

Additional comments and questions from Committee members included: We have complete faith in the school district, the Board of Education and the City. The City is trying to help the schools. The San Marino Schools offer a world class education and we help each other. The high ranking of the schools help to keep City property values high. Would like to see a lease as Option #1, with Option #2 to sell. It was noted that selling the property limits the District's use of the funds. Mr. Norgaard noted that the City has made a proposal to lease Stoneman and the City Council has met. Mr. Hung suggested that the Committee's recommendations be general, broad and objective in language to allow the School Board to discuss their options. Dr. Woods noted that the Board of Education will receive a complete packet of information and all backup documentation from the 7-11 Committee packets, correspondence, public comments, and meeting minutes. The priority use language needs to be adjusted.

The following was motioned and seconded but was not voted on. Motion: Mr. Baha, Second: Mr. Talt. After discussion continued Mr. Baha withdrew his motion.

- a. To Lease Stoneman to the City – strong preference
- b. Sell Stoneman to the City
- c. Consider a lease or sale to a philanthropic organization or for a residential development.

Discussion continued. Comments included that the preference is to not include the sale of the property in the priority list. There was more discussion on the motion on the table. It was recommended that the Committee discuss that the number one priority is to lease the Stoneman property to the City of San Marino in accordance with California government code provisions. The schools need the money and we should keep the property with us.

6. Vote for Final Language for Priority Use of Stoneman Property
The Committee approved the following language:

Wednesday, September 1, 2010

San Marino Unified School District Board
“7-11” Advisory Committee Meeting

Priority Use for the Stoneman Property Recommendation:

1. A long term lease with the City of San Marino
2. Sell the property to the City of San Marino at the highest and best use value
3. Lease the property to a philanthropic organization
4. Sell or exchange the property with a philanthropic organization at the highest and best use value
5. Only upon exhaustion of all of the above preceding priorities, sell or exchange the property for residential development

Motion: Mr. Talt

Second to the Motion: Mr. Baha

Unanimously Approved by 7-11 Committee Members

Dr. Woods asked Ms. Thorson to provide the Committee with the next steps. She noted that the next step will be approval of the 7-11 Committee’s Recommendation. Following Board approval there will be a period for public response (approximately 15 days), there will also be notice of the surplus property, and a draft lease will be prepared. Ms. Thorson will prepare a timeline for the Board of Education meeting to be held on September 14, 2010.

7. Adjournment
The meeting was adjourned at 8:15 p.m.

Respectfully submitted:

Julie Boucher
Assistant Superintendent, Business Services