

**SURPLUS PROPERTY “7-11” ADVISORY COMMITTEE
MINUTES**

**Regular Meeting of the “7-11” Advisory Committee
March 4, 2024 – 5:30 P.M.**

Newport-Mesa Unified School District Education Center Boardroom
2985 Bear Street, Costa Mesa, CA 92626

PRELIMINARY

CALL TO ORDER

The regular meeting of the Surplus Property “7-11” Advisory Committee was called to order by 7-11 Committee Chairperson, Adam Ereth, at 5:38 P.M. on March 4, 2024, at the Newport-Mesa Unified School District Education Center Boardroom, 2985 Bear Street, Costa Mesa, CA 92626.

ROLL CALL

Members Present:

Laurie Horn – Member of the Business Community
Lindsay Olson – Member of the Business Community
Chase Rief – Member of the Business Community
Sean Levin – Landowner or Renter
Jacob Haley – Administrator
Jose De La Jara – Parent of Student
Adam Ereth – Person with Expertise in Environmental Impact
Tyler Holst – Person with Expertise in Legal Contracts, Building Codes, Land Use Planning
David Martinez - Person with Ethnic, Age Group, and Socioeconomic Composition of the District

Members Not Present:

Jane Hartley – Teacher
Yocely Galinda – Person with Ethnic, Age Group, and Socioeconomic Composition of the District

Also Present:

Jeff Trader – Newport-Mesa Unified School District
Andreas Chialtas – Atkinson, Andelson, Loya, Ruud & Romo
Veronica Hallman – Newport-Mesa Unified School District

COMMENTS FROM THE FLOOR

Debbie McGuire, Board Member of Wetlands and Wildlife Care Center. Expressed concern about losing the wetlands and preserves. Would like to see Banning Ranch preserved for the importance of the ecosystem.

Terry Welsh, representative of the Coastal Corridor Alliance and community member. Recommends that the priority use list be redone making the preservation of Banning Ranch the number one priority.

Priscilla Rocco, community member. Stated that Banning Ranch would be an ideal place for immersive outdoor classrooms. It is an environmentally sensitive habitat. Prefers education over money. There would be Coastal Act limitations.

Lena Yee Hayashi, a supporter of the Coastal Corridor Alliance. Banning Ranch is home to many endangered species. Recommends saving and preserving the land that was donated by the Randalls.

Wendy Leece, community member, and taxpayer. Bring NMUSD and the Coastal Corridor Alliance together to work together. Nature can be a teaching opportunity. Past sales of other properties within NMUSD were not good.

Cynthia McDonald, community member. There has been no environmental impact report and there is no known condition of the property. Recommends keeping the space open and working with the Coastal Corridor Alliance to provide educational opportunities.

Richard Huffman, community member, and on the Board of the Coastal Corridor Alliance. Recommends that NMUSD's eleven acres be added to the preserve and restored to its natural space. Using the property for housing would present challenges in court.

Tom Egan, community member. As a Basic Aid district, there is no incentive to sell the property as the state will take the money. The prevailing opinion is not to sell the property. Don't sell it to a developer. Use it for an educational program for the children.

Peter Drivas, community member and property manager. Stated he represents the youth of the community. It is important to educate the children in arts, culture, and the preservation of nature.

Nancy Kappelman, community member. Feels the land should be left a preserve and there should be appreciation for the land. Should not be developed. A resource for children and older people.

James Stacy, community member. Feels the property should be joined to the Randall Preserve.

John Anderson, community member. Shared a handout with the committee, "Orange Coast River Park A River Park is a Wondrous Thing ..." regarding the ecosystem.

Elad Levy, community member. Recommends leaving Banning Ranch open and free. Don't separate the two properties, send it back to the nature preserve. Make it all one. No concrete jungles, and no apartments.

Deborah Koken, community member. The public overwhelmingly prefers the open space. Recommends reordering the recommendations.

APPROVAL OF MINUTES OF FEBRUARY 5, 2024 MEETING

Motion by: Jacob Haley

Seconded by: Sean Levin

Vote: 9 / 0 - Passed

PUBLIC HEARING OF COMMITTEE'S PRIORITY USE LIST FOR THE BANNING RANCH PROPERTY

- a. Reference Tab 15 – Introductory Comments Regarding 7-11 Committee Priority Use List & Process
- b. Public Hearing Opened at 6:14 P.M.

COMMENTS FROM THE FLOOR

Wendy Leece, community member, and taxpayer. Recommends moving Option 2 to Option 1 on the Priority Use List. Learn from the past. Partnership with Randall Preserve to leave the space open.

Terry Welsh, representative of the Coastal Corridor Alliance and community member. Inquired as to the protocol to put a motion in to have the open space remain open.

Debbie McGuire, Board Member of Wetlands and Wildlife Care Center. Recommends moving Option 2 to Option 1 on the Priority Use List. Retain the open space.

Lena Yee Hayashi, a supporter of the Coastal Corridor Alliance. Would like to see the committee carefully act.

Peter Drivas, community member and property manager. Recommends moving Option 2 to Option 1 on the Priority Use List. Recommends seeing how it works and then if needed go to Option #2 in 3-5 years. Keep the land a preserve.

Marla Yellmans, community member. Recommends moving Option 2 to Option 1 on the Priority Use List. Expressed the importance of keeping the land a preserve.

Cynthia McDonald, community member. Recommends moving Option 2 to Option 1 on the Priority Use List.

Pricilla Rocco, community member. Recommends moving Option 2 to Option 1 on the Priority Use List.

Richard Huffman, community member, and on the Board of the Coastal Corridor Alliance. Recommends moving Option 2 to Option 1 on the Priority Use List. Stated that re-zoning is coming and there is no support for development.

Tom Egan, community member. No reason to sell the property. Recommends moving Option 2 to Option 1 on the Priority Use List.

Jim Palmer, teacher, and community member. Teachers have a need for affordable housing. The legislature is discussing housing.

Elad Levy, community member. Recommends moving Option 2 to Option 1 on the Priority Use List. Nothing to stop long-term leasing.

- c. Public Hearing Closed at 6:31 P.M.

SUMMARY OF INITIAL TWO MEETINGS, FEBRUARY 5, 2024 MEETING, AND PUBLIC HEARING ON THE COMMITTEE'S PRIORITY USE LIST

- a. Brief Overview of Initial Two Meetings & Requested Information - Andreas Chialtas – Atkinson, Andelson, Loya, Ruud & Romo, addressed briefly.
- b. Summary of February 5, 2024 Meeting & Requested Information Andreas Chialtas – Atkinson, Andelson, Loya, Ruud & Romo, addressed briefly.
- c. Discussion of Priority Use List and Public Hearing Comments – Adam Ereth, Committee Chairperson, opened for discussion. Adam Ereth, Committee Chairperson, made comments related to the Priority Use List and public hearing, and offered the following related to considerations and possible next steps for the Committee:
 - i. That the following recommendations assume a waiver is to be sought by the District and received from the State Board of Education.

- ii. If ground lease, lease the land for a duration of 5 year increments if retained as open space, noting that any proposed improvement to the site from the lessee be captured in the lease agreement so as to not discourage any future use unless otherwise stated or agreed upon.
 - iii. If intent to develop into housing, consider a land swap proposition with the MRCA for land that may not be as desirable and/or environmentally sensitive as the NMUSD landholding with accompanying letter of support to Coastal Commission and any relevant jurisdictions to build housing on the alternate site.
 - iv. If land is retained for NMUSD use, consider how the property can be leveraged in relation to other NMUSD land holdings. For example, if local schools in westside Costa Mesa are trending down, the trustees may consider a housing project on one of the school sites for increased revenue and in parallel with a developer agreement to build an Environmental Nature Center in the Banning Ranch property for NMUSD use. It is also worth mentioning that infill development in an existing site will likely be subject to streamlined CEQA review through CEQA guidelines section 15301 (Class 1) for existing facilities, and a modest-sized Environmental Nature Center for NMUSD use a more likely alternative to pass Coastal Commission than a high density housing project, particularly if that project is sold at market rate. It is also worth noting that many CEQA provisions may be waived if the site is a qualified affordable housing project, regardless of where the project is built in certain cases.
 - v. If selling the property is considered, appraise the property and ask full market rate regardless of any known or unknown impediments in the entitlement process. Underpinning this assumption is the fact that coastal land values continue to climb exponentially. The NMUSD land is no exception in this regard, and may be considered a long-term, appreciating asset or development opportunity, particularly in the context of rising costs with home buying and rentership. This may be an important point to keep in mind for the NMUSD workforce if workforce housing and space is needed.
 - vi. In all cases, unless the land changes hands, solicit the Coastal Commission for reinstatement of the fence along the property line, or some form of wrap-around demarcation. I believe the current setback enclosure from the property line is insufficient to exclude unwanted activity such as trespassing or other activities.
- d. Discussion of Any New Additional Information Requested by the Advisory Committee Members (if any) - Adam Ereth, Committee Chairperson opened for discussion. No information was requested.

Committee Chairperson, Adam Ereth adjourned the meeting for short for a break at 6:36 P.M.

Committee Chairperson, Adam Ereth re-adjourned the meeting at 6:46 P.M.

DISCUSSION OF FURTHER REVISIONS TO SECOND REVISED DRAFT REPORT AND RECOMMENDATION, AND DEVELOPMENT OF FUTURE REPORT AND RECOMMENDATION

- a. Reference Tab 16 – Second Revised Draft Report and Recommendation
- b. Discussion Regarding Revisions to Second Revised Draft Report and Recommendation, and Plan to Develop Final Report and Recommendation to District Governing Board. The discussion included the following members present at the meeting:

Adam Ereth – Person with Expertise in Environmental Impact
Tyler Holst – Person with Expertise in Legal Contracts, Building Codes, Land Use Planning
Jose De La Jara – Parent of Student
Jacob Haley – Administrator
Laurie Horn – Member of the Business Community
Sean Levin – Landowner or Renter
David Martinez - Person with Ethnic, Age Group, and Socioeconomic Composition of the District
Lindsay Olson – Member of the Business Community
Chase Rief – Member of the Business Community

The discussion included topics related to duration of potential leases, land preservation, gift of public funds, housing needs, District’s capital facilities needs, teacher/workforce housing, Coastal Commission and CEQA considerations, and Priority Use List “rankings” and options for final recommendations.

- c. Approval of Revisions, Approval of Report, and Next Steps

A vote was taken as reflected below to make certain revisions to the draft proposed Report and Recommendation as follows: Make certain revisions to be consistent with the past practice of adding meeting and minutes information, and adding information related to the public speakers and comments received; Confirm final recommendations section to reflect the Priority Use List’s priority and include waiver information reflected in the draft Report and Recommendation.

Motion by: Adam Ereth Seconded by: Jacob Haley Vote: 7 / 2 – Passed

A vote was taken as reflected below to have the minutes of this proposed final Committee Meeting No. 4 be circulated via email and deemed automatically approved by the Committee unless one or more members requested another meeting for the sole purpose of discussing the minutes, and that there was otherwise no need for any further Committee meetings.

Motion by: Adam Ereth Seconded by: Tyler Holst Vote: 8 / 1 - Passed

DISCUSSION OF PROPOSED NEXT COMMITTEE MEETING TOPICS AND DATE

Having voted on the Final Report and Recommendation, there will be no anticipated further meetings of the Committee.

ADJOURNMENT

The meeting was adjourned at 7:43 P.M.

Motion by: Jacob Haley

Seconded by: David Martinez Vote: 9/0 - Passed

Adopted Minutes