

OAK GROVE SCHOOL DISTRICT

RESOLUTION NO. 1492-12/24

BEFORE THE
BOARD OF TRUSTEES OF THE
OAK GROVE SCHOOL DISTRICT
SANTA CLARA COUNTY, CALIFORNIA

In the Matter of:

DEPOSIT OF PROCEEDS OF FUNDS
DERIVED FROM SALE OF SURPLUS
REAL PROPERTY

) RESOLUTION ADOPTING A PLAN FOR
) EXPENDING ONE-TIME RESOURCES AND
) APPROVING THE DEPOSIT OF PROCEEDS
) FROM SALE OF SURPLUS REAL PROPERTY
) INTO GENERAL FUND FOR ONE-TIME
) GENERAL FUND PURPOSES (Glider
Elementary School)

WHEREAS, the Oak Grove School District (“District”) is the fee owner of approximately 9.5 acres of improved real property formerly known as the Glider Elementary School site, located at 511 Cozy Drive, San Jose, Santa Clara County, California (the “Real Property”); and

WHEREAS, the District previously convened a School Consolidation Committee that, after convening sixteen public meetings and three community forums, issued a final report, dated January 25, 2018, recommending the closure of the Glider Elementary School on the Real Property due to declining enrollment; and

WHEREAS, on February 8, 2018, the Board ratified its acceptance of the final report from the School Consolidation Committee and the closure of the Glider Elementary School; and

WHEREAS, the District previously convened a school district advisory committee (“7-11 Committee”) pursuant to Education Code sections 17387, *et seq.*, to advise the District’s Board of Trustees (“Board”) regarding the use or disposition of school buildings or space in school buildings which is not needed for school purposes; and

WHEREAS, the 7-11 Committee held public meetings in November and December 2019, and prepared a report recommending to the Board that the Real Property, was surplus to the District’s needs; and

WHEREAS, on January 16, 2020, the Board accepted the final report from the 7-11 Committee and formally deemed the Real Property to be surplus to the District’s needs; and

WHEREAS, on March 12, 2020, the Board adopted Resolution No. 1343-03/20 declaring its intention to lease or sell the Real Property, and directing Staff and consultants to proceed with lease or sale of the Real Property; and

WHEREAS, based on the final report from the School Consolidation Committee, the final

report from the 7-11 Committee, and Resolution No. 1343-03/20, the Real Property is not required to meet the District’s projected school construction need for the next 10 years; and

WHEREAS, through a “Real Estate Purchase and Sale Agreement” between TTL Management, Inc. and the Oak Grove School District dated January 21, 2022, and approved by the Board on January 20, 2022, and amended on September 21, 2023, and June 20, 2024 (the Agreement and amendments are attached hereto as Exhibit “A”), the District is currently in escrow to sell the Real Property for \$26,625,000.00 (which amount is referred to herein as the “Proceeds”); and

WHEREAS, Education Code section 17462 generally imposes limitations on the use of proceeds from the sale of surplus property; and

WHEREAS, Education Code section 17463.7 permitted a school district to deposit the proceeds from the sale of surplus real property, together with any personal property located on the property, purchased entirely with nonstate funds, into the general fund of the school district where such proceeds may be used for any one-time general fund purpose; and

WHEREAS, while subdivisions (a) through (e) of Education Code Section 17463.7 became inoperative on July 1, 2024, subdivision (f) remains operative until January 15, 2026, and the entirety of Education Code Section 17463.7 will be repealed on January 1, 2027, the District initiated this sale prior to June 30, 2024, through the approved Real Estate Purchase and Sale Agreement dated January 11, 2022, and therefore, pursuant to Education Code Section 17463.7, subdivision (g), “the proceeds from the sale... that are received after June 30, 2024, shall be considered proceeds that can be deposited in accordance with this section”; and

WHEREAS, the District purchased the Glider Site entirely with nonstate funds; and

WHEREAS, District staff has developed a one-time expenditure plan for the Proceeds from the sale of the Real Property (the “Glider Funds Plan”)(the Glider Funds Plan is attached hereto as Exhibit “B”), that identifies the source and the intended use of the Proceeds and describes the reasons why the expenditure will not result in ongoing fiscal obligations for the District; and

WHEREAS, the Board now wishes to authorize the deposit of a portion of the Proceeds into the general fund of the District pursuant to Education Code section 17463.7, to be used for one-time and not ongoing expenditures as delineated in the Glider Funds Plan.

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of the Oak Grove School District hereby finds, determines, and orders as follows:

1. The foregoing recitals are adopted as true and correct.
2. The Board has considered the Glider Funds Plan, including the intended uses of the Proceeds, which will not result in ongoing fiscal obligations for the District.
3. The Board incorporates herein by reference, approves, and adopts the Glider Funds Plan.

4. The Board hereby finds and certifies that:
 - a. The sale of the Real Property does not violate the provisions of any local bond act.
 - b. The Real Property is not suitable to meet projected school construction needs of the District for the next ten years.
5. The Real Property was purchased entirely with nonstate funds.
6. The Proceeds will be used only for one-time general fund purposes.
7. The District acknowledges that the State Allocation Board will reduce any financial hardship funding awarded to the District pursuant to Sections 17075.10, *et seq.*, of the Education Code, by the amount transferred into its general fund account.
8. District staff is authorized and directed to submit a copy of this Resolution, and any other required documentation pursuant to Education Code Section 17463.7 to the State Allocation Board prior to the deposit of the Proceeds into the general fund.
9. District staff is authorized and directed to take all other steps necessary to ensure compliance with Education Code Section 17463.7 to complete the deposit of the Proceeds as deemed appropriate by the Board.

* * * * *

This Resolution was adopted at a meeting of the Board of Trustees of the Oak Grove School District held on December 12, 2024, by the following vote:

AYES: N. Yue, Jose Pacheco Jr, C. Hernandez, D. Gonzalez

NOES: None

ABSENT: Diego Martinez



 President/Clerk, Board of Trustees
 Oak Grove School District
 Santa Clara County, California