



# **2020/21**

# **Facilities**

# **Master Plan**

Board Adopted: February 11, 2021

## Executive Summary

In the summer of 2014, available Measure M general obligation bond proceeds were exhausted, and the Measure M facilities improvement program was completed, with the exception of modernizing the balance of the Landell school site. To mark this milestone, a comprehensive, districtwide Facilities Master Plan (FMP) was updated and presented to the Board of Trustees in a workshop held on November 20, 2014.

In December 2014, the FMP was formally approved by the Board of Trustees, including authorization to proceed with implementation of the class-size reduction modular facilities expansion project. This project was completed in the summer of 2015, within the approved budget and schedule. At the time of approval, it was noted by the Board of Trustees that the FMP needed to address facility needs for the district office and closed school sites.

In 2016, the primary focus was STEM and music and relocation of the SDC preschool. These projects were completed in 2017.

The FMP is updated annually and used as a tool in the Cypress School District by staff and the Board of Trustees to keep pace with facility needs and identify priority projects.

In upcoming years, the FMP will focus primarily on the following facility needs:

- Relocation of the district's administrative headquarters, including the Maintenance/Operations, Transportation, and Technology department
- Complete modernization/rehabilitation of Landell
- Technology refreshment/replacement
- Ongoing maintenance of three closed school sites (Cawthon, Damron, and Swain)
- Possible reopening of a closed school

## School Facilities Goals & Objectives

The district and its Board of Trustees are committed to bringing every resource to bear in expanding and improving learning opportunities for students – opportunities that will lead to their success as lifelong learners. A primary goal of the FMP is to identify facility areas that can be enhanced to provide better learning environments for students, teachers, and community members. Five goals have been identified to assist in this process.

**Goal #1:** Identify and analyze information that documents the district’s school facility needs

Strategies:

- Develop and maintain a master plan in accordance with Board Policy
- Identify facility needs for the educational program that will support success for students in the 21<sup>st</sup> century (i.e., class size reduction, STEM, music, technology replacement, etc.)

**Goal #2:** Create facility standards that provide equity throughout the district

Strategies:

- Ensure Board Policies reflect school size and facility standards that meet state requirements (i.e., LCFF/LCAP, ADA, etc.)
- Upgrade older facilities to be comparable to new facilities, including modernization of the Landell school site

**Goal #3:** Establish an ongoing planning process that best positions the district to meet its ever-changing facility needs

Strategies:

- Update regular routine maintenance activities annually
- Analyze projected student enrollment annually
- Analyze staffing and consultant needs annually

**Goal #4:** Communicate the district’s facility needs

Strategies:

- Regularly update the Board of Trustees, staff, and community, as needed
- Maintain ongoing communication with city/county/state agencies
- Maintain ongoing communication with contractors
- Publish FMP to website for community access

**Goal #5:** Be aggressive in pursuing all funding alternatives

Strategies:

- Pursue state and federal funding, including state matching funds still owed
- Utilize Special Reserve for Capital Outlay
- Appropriately allocate future asset management monies

## Overview of District-Owned Properties

### Open School Properties

- A.E. Arnold Elementary 9281 Denni Street, Cypress, California 90630
- Clara J. King Elementary 8710 Moody Street, Cypress, California 90630
- Margaret Landell Elementary 9739 Denni Street, Cypress, California 90630
- Steve Luther Elementary 4631 La Palma Avenue, La Palma, California 90623
- Juliet Morris Elementary 9952 Graham Street, Cypress, California 90630
- Frank Vessels Elementary 5900 Cathy Avenue, Cypress, California 90630

### Other Properties

- District Office 9470 Moody Street, Cypress, California 90630
- Future District Headquarters 5816 Corporate Avenue, Cypress, California 90630
- Cawthon (Closed School) 4545 Myra Avenue, Cypress, California 90630
- Damron (Closed School) 5400 Myra Avenue, Cypress, California 90630
- Swain-Future MOTT Office 5851 Newman Street, Cypress, California 90630

### Park Properties

- Damron Park 5400 Myra Avenue, Cypress, California 90630
- Rosen Acacia Park (Swain) 5681 Newman Street, Cypress, California 90630
- Vessels Park 5900 Cathy Avenue, Cypress, California 90630

### Asset Management Properties

- Cypress Park Senior Community \* 9021 Grindlay Street, Cypress, California 90630
- Coast Apartments 400 Merrimac Way, Costa Mesa, CA 92626
- Azure Apartments 2704 Vanderbilt Lane, Redondo Beach, CA 90278

\*Joint limited-partnership between Cypress Education Foundation and Hyter Development

## Progress to Date

The district has made significant progress with funding a construction/modernization program. The district’s successful building program has been funded primarily through the \$53.6 million general obligation bond (Measure M) that was overwhelmingly approved in 2008 by 69.2% of the community.

In addition, the building program has been supported by the district’s participation in the state’s School Facility Program, which has provided approximately \$5.2 million in state matching funds to date. The district also receives local revenue in the form of redevelopment pass-through revenues, of which the district has authorized spending approximately \$3.9 million. Additionally, in 2013 the district issued \$7.365 million in certificates of participation (COPs), which is a type of lease financing, to fund various facility projects.

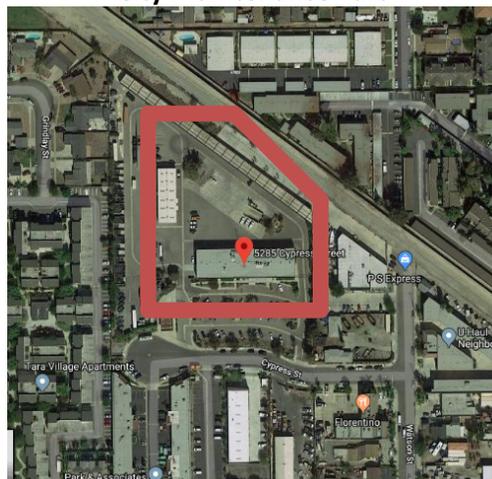
Since the passage of Measure M, modernization of the following school sites has been completed:

Vessels	2010
King	2011
Morris	2012
Luther	2013
Arnold	2014
Landell	2014 ( <i>partially modernized</i> )

In addition to Measure M school modernization, the district has completed several other facilities achievements, including:

- Relocation of Child Nutrition Services to Landell – 2019: The Child Nutrition Services office was moved from the district office property to Landell, where the central kitchen is located. This project included soil remediation and installation of a walk-in storage building.
- Relocation of Buses to City Maintenance Yard – 2019: The district currently owns nine school buses and operates a mechanic shop. The district maintains a Facilities Use Agreement with the city of Cypress/Cypress Recreation and Community Services department. Terms of this agreement allow for district use of the city’s facilities, including the Maintenance Yard (located at 5285 Cypress Street, Cypress), without charge. The district’s buses were relocated to the city’s Maintenance Yard with routing beginning on January 7, 2019.

**City Maintenance Yard**



- Purchase of 5816 Corporate Avenue Building: On September 10, 2019, the Board of Trustees authorized the purchase of a commercial office building for the district’s administrative headquarters. The new two-story facility was built in 1987 and purchased by the district for \$7,775,000. The district plans to relocate its headquarters to the new building during the summer of 2021.



## Current Enrollment & Projections

The district currently serves 3,578 students (October 2020 CBEDS figure). Many of the schools in the Cypress School District have been closed over the years due to declining enrollment. In fact, enrollment has declined by more than 50 percent from the peak enrollment of 7,800 students in the 1980s. At that time, the district had 12 open schools.

Today, the district operates 6 schools for its approximately 3,600 students. The following shows the district’s 10-year enrollment trend:

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
3,935	3,898	3,931	4,003	3,963	3,974	3,977	3,924	3,852	3,578

Cypress School District boundaries include most of Cypress as well as portions of La Palma and Buena Park. The following shows the district’s student enrollment by city for the 2020/21 school year:

City	# Students Served
Cypress	2,823
Buena Park	299
La Palma	203
All other cities*	219

*\*Interdistrict transfers from other cities*

The U.S. Census Bureau identifies future population characteristics for the city of Cypress. The information below is based on 2010 census data:

People Quick Facts	Cypress	California
Population, 2017 estimate	49,064	39,536,653
Population, 2010 (April 1) estimates base	47,852	37,253,959
Population, percent of change, April 1, 2010, to July 1, 2017	2.5%	6.1%
Persons under 5 years, percent 2010	5.0%	6.8%
Persons between 5 to 9 years, percent 2010	5.9%	6.73%
Persons between 10 to 14 years, percent 2010	7.4%	6.9%
Persons under 18 years, percent 2010	23.7%	25.0%
Persons 65 years and over, percent 2010	12.9%	11.4%

Following is the most recent birth rate data available for Cypress, Buena Park, and La Palma:

		2016	2017	2018*
Cypress	Total Births	382	405	403
	Birth Rate	7.7	8.3	8.2
Buena Park	Total Births	911	930	931
	Birth Rate	11.0	11.2	11.3
La Palma	Total Births	121	128	116
	Birth Rate	7.6	8.1	7.4

*\*Orange County average in 2018 was 11.2*

## Future Residential Development

The 2020 Orange County Progress Report identifies there are approximately 16,631 housing units within the city of Cypress.

The Cypress School District community was fundamentally built out in the 1960s, when it saw the opening of ten new schools within seven years, from 1962 to 1968. The building boom drew to an end in the late 1970s, and the district experienced a serious decline in enrollment, causing the closing of four schools.

Current projections for new housing projects indicate minimal growth:

2025	16,336
2030	16,421
2035	16,506
2040	16,601

However, in June 2018 Cypress voters approved a plan to develop the Los Alamitos Race Course which will include approximately 1,000 housing units. The district currently has three closed school sites identified for possible reuse in the event enrollment should ever increase beyond the capacity of its six open schools.

The State Allocation Board / Office of Public School Construction identifies the following statewide student yield averages for new construction:

Statewide Average Student Yield Factors are:	
Elementary	0.5 per dwelling
High School	0.2 per dwelling
Unified	0.7 per dwelling

## Facilities Master Plan 2020/21 - Projected Facility Needs

### District Office Modernization

The district office, which includes Maintenance & Operations facilities and the bus transportation yard, has had no significant deferred maintenance completed since it was built in 1967. The buildings do not meet current building, seismic, or safety codes and are not properly accessible for disabled individuals. Many of the building systems and infrastructure components are at the end of their usable lives and are not energy, water, or maintenance efficient. The current facility is no longer able to support the district's operational needs.

The Measure M rezoning ballot measure was defeated in November 2018. As a result, funds from the Special Reserve for Capital Outlay will be used to move forward the projects listed below to help meet the needs identified above.

- Tenant Improvements at 5816 Corporate Avenue for District Office Administration Relocation – Construction Cost \$4,500,000: The building located at 5816 Corporate Avenue building will have tenant improvements completed by summer to allow the district's administrative headquarters to relocate by the fall of 2021. The Superintendent's Office, Human Resources, Educational Services, Business Services, and the district's print shop will operate out of this two-story building. In addition, there will be a Board Room/training room that can accommodate approximately 200 people.
- Relocation of Maintenance/Operations, Transportation, and Technology to Swain – Estimated Construction Cost \$3,000,000: This plan calls for relocation of the Maintenance/Operations, Transportation, and Technology department from the current district office property to the Swain school site using the existing buildings and the possible addition of one new building of less than 2,500 sf to accommodate bus maintenance. Minor alterations and deferred maintenance of these buildings will be required to allow proper operation of these departments. Currently, buses are operated out of the City Yard, and no changes are planned at this time. Buses would come to the Swain site for maintenance and inspections. Upon Board approval, architectural plans will be developed and construction work will begin during the summer of 2021, with occupancy by January 2022.

### Closed School Sites Rehabilitation Plan

Existing site plans and written condition assessments are included for Damron and Cawthon. These closed school sites could remain in use as facilities leased out for other programs or they could be the subject of future asset management projects. Additionally, they could be reopened as district school sites if needed due to enrollment growth or other program needs. With all of these options, it is difficult to anticipate what facilities and deferred maintenance improvements are needed at this time. The estimated costs provided were calculated in 2020 and have not been updated to reflect 2021 construction costs.

- Basic Deferred Maintenance: As a "landlord," the district needs to budget enough maintenance and repair funding to support the tenants' lease conditions and safe usage. The district also needs to maintain the properties (assets) for its own possible future use. To address existing conditions using a "bare minimum" approach for needed repairs, a budget of \$275,000 (per site) for the next 5 to 7 years is recommended. This does not include any code upgrades, handicapped accessibility improvements, hazardous material removals, or programmatic changes at these facilities.

Basic deferred maintenance (per site): \$275,000

- Emergency Reopening of School Site: The next level of improvement considered for the closed school sites is a possible "emergency" reopening as an active school site. The term "emergency" means the need to reopen a school without substantial preparation time or funding available for a full modernization. However, basic code upgrades, handicap accessibility improvements, safety improvements, and additions to ensure educational program parity would need to be completed. The actual cost would be based on the site to be reopened. The estimated cost shown here was calculated using the Damron site. If another closed school site was selected, similar costs would be incurred.

Emergency reopening (per site, assumes Damron): \$1,784,788

- Full Modernization of School Site: The final level of improvement considered for the closed school sites is a reopening with full modernization to provide parity with other modernized school sites in the district. Again, Damron was used as an example for these calculations. If another closed school site was selected, similar costs would be incurred.

Reopening with full modernization (per site, assumes Damron): \$10,196,696

**Closed Damron School Site Plan**

\$ 275,000 Deferred Maintenance  
 \$ 1,784,788 Re-Open  
 \$ 10,196,696 Modernize



**Closed Cawthon School Site Plan**

\$275,000 Deferred Maintenance



**Cypress School District – Closed Sites Facility Needs Assessment  
 Minimum Modernization Scope Cost Prediction  
 (Cost estimate based on 21 classroom Damron Elementary School)**

SCOPE ITEMS	QTY	UNIT	\$/UNIT	TOTAL
<b>Site</b>				
Parking Lot AC Repair and Paving	1	LS	\$23,400.00	\$23,400.00
Repair/Replace areas of deteriorating concrete at exterior walkways	2,000	SF	\$9.00	\$18,000.00
Fencing Repair Allowance	1	LS	\$2,925.00	\$2,925.00
<b>Building Interiors / Program</b>				
Remove and replace Carpet - Admin Bldg. A	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - MPR	3,000	SF	\$5.60	\$16,800.00
Remove and replace Carpet - Classroom Bldg. B	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. C	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. D	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. E	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. F	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. G	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. H	2,900	SF	\$5.60	\$16,240.00
<b>Interior Painting - Admin Bldg. A</b>				
Interior Painting - Admin Bldg. A	3,500	SF	\$1.15	\$4,025.00
<b>Interior Painting - MPR</b>				
Interior Painting - MPR	6,500	SF	\$1.15	\$7,475.00
<b>Interior Painting - Classroom Bldg. B</b>				
Interior Painting - Classroom Bldg. B	4,800	SF	\$1.15	\$5,520.00
<b>Interior Painting - Classroom Bldg. C</b>				
Interior Painting - Classroom Bldg. C	4,800	SF	\$1.15	\$5,520.00
<b>Interior Painting - Classroom Bldg. D</b>				
Interior Painting - Classroom Bldg. D	4,800	SF	\$1.15	\$5,520.00
<b>Interior Painting - Classroom Bldg. E</b>				
Interior Painting - Classroom Bldg. E	4,800	SF	\$1.15	\$5,520.00
<b>Interior Painting - Classroom Bldg. F</b>				
Interior Painting - Classroom Bldg. F	4,800	SF	\$1.15	\$5,520.00
<b>Interior Painting - Classroom Bldg. G</b>				
Interior Painting - Classroom Bldg. G	4,800	SF	\$1.15	\$5,520.00
<b>Interior Painting - Classroom Bldg. H</b>				
Interior Painting - Classroom Bldg. H	4,800	SF	\$1.15	\$5,520.00
<b>Building Exteriors</b>				
Repair Damage at existing ceramic tile base veneer	2,155	LF	\$11.50	\$24,782.50
Roof Repair Bldg. - Admin Bldg. A	2,400	SF	\$2.70	\$6,480.00
Roof Repair Bldg. - MPR Bldg.	5,200	SF	\$2.70	\$14,040.00
Roof Repair Bldg. -Classroom Bldg. B	5,680	SF	\$2.70	\$15,336.00
Roof Repair Bldg. -Classroom Bldg. C	5,680	SF	\$2.70	\$15,336.00
Roof Repair Bldg. -Classroom Bldg. D	5,680	SF	\$2.70	\$15,336.00
Roof Repair Bldg. -Classroom Bldg. E	5,680	SF	\$2.70	\$15,336.00

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**Cypress School District – Closed Sites Facility Needs Assessment  
Full Modernization Scope Cost Prediction  
(Cost estimate based on 21 classroom Damron Elementary School)**

SCOPE ITEMS	QTY	UNIT	\$/UNIT	TOTAL
<b>Site</b>				
Parking Lot AC Repair and Paving	1	LS	\$128,700.00	\$128,700.00
Repair/Replace areas of deteriorating concrete at exterior walkways	10,000	SF	\$9.00	\$90,000.00
Fencing Repair / Replacement	1	LS	\$81,900.00	\$81,900.00
New Landscaping/ Turf / Irrigation replacement	1	LS	\$190,000.00	\$190,000.00
New Play Equipment and Safety Surfacing	1	LS	\$282,900.00	\$282,900.00
<b>Building Interiors / Program</b>				
Remove and replace Carpet - Admin Bldg. A	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - MPR	3,000	SF	\$5.60	\$16,800.00
Remove and replace Carpet - Classroom Bldg. B	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. C	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. D	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. E	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. F	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. G	2,900	SF	\$5.60	\$16,240.00
Remove and replace Carpet - Classroom Bldg. H	2,900	SF	\$5.60	\$16,240.00
R/R non-carpet Flooring / ad. (Ceramic Tile)	1	LS	\$51,750.00	\$51,750.00
Remove and replace existing Casework	46,173	SF	\$6.27	\$289,389.28
New Acoustical Ceilings in classrooms and Admin	21,260	SF	\$6.90	\$146,694.00
Thermal Insulation	1	LS	\$51,750.00	\$51,750.00
Visual Display Upgrades( Marker boards / tack boards)	46,173	SF	\$4.60	\$212,395.80
<b>Building Exteriors</b>				
Repair Damage at existing ceramic tile base veneer	2,155	LF	\$17.25	\$37,173.75
New Roof Bldg. - Admin Bldg. A	2,400	SF	\$14.25	\$34,200.00
New Roof Bldg. - MPR Bldg.	5,200	SF	\$14.25	\$74,100.00
New Roof Bldg. -Classroom Bldg. B	5,680	SF	\$14.25	\$80,940.00
New Roof Bldg. -Classroom Bldg. C	5,680	SF	\$14.25	\$80,940.00
New Roof Bldg. -Classroom Bldg. D	5,680	SF	\$14.25	\$80,940.00
New Roof Bldg. -Classroom Bldg. E	5,680	SF	\$14.25	\$80,940.00
New Roof Bldg. -Classroom Bldg. F	5,680	SF	\$14.25	\$80,940.00
New Roof Bldg. -Classroom Bldg. G	5,680	SF	\$14.25	\$80,940.00
New Roof Bldg. -Classroom Bldg. H	3,281	SF	\$14.25	\$46,754.25
Exterior Painting - Admin Bldg. A	3,100	SF	\$1.45	\$4,495.00
Exterior Painting - MPR Bldg.	8,600	SF	\$1.45	\$12,470.00
Exterior Painting - Classroom Bldg. B	5,457	SF	\$1.45	\$7,912.65
Exterior Painting - Classroom Bldg. C	5,457	SF	\$1.45	\$7,912.65
Exterior Painting - Classroom Bldg. D	5,457	SF	\$1.45	\$7,912.65
Exterior Painting - Classroom Bldg. E	5,457	SF	\$1.45	\$7,912.65
Exterior Painting - Classroom Bldg. F	5,457	SF	\$1.45	\$7,912.65
Exterior Painting - Classroom Bldg. G	5,457	SF	\$1.45	\$7,912.65
Exterior Painting - Classroom Bldg. H	5,457	SF	\$1.45	\$7,912.65
Replace all Exterior Doors / Replace all Interior Doors and Frames	46,173	SF	\$5.87	\$270,804.65
Replace all Exterior Windows	4,876	EA	\$60.00	\$292,560.00

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Closed Sites Needs Assessment/Improvement Plan (Damron, Cawthon)

- Damron

Current Use: Entire school site is leased to Del Sol School

General Observations:

1. Ceramic tile base veneer at exterior of buildings is losing tiles; needs repair
2. HVAC:
  - a. Admin building: Central AHU in closet with rooftop condenser
  - b. MPR building: rooftop package AC units
  - c. Classrooms:
    - i. Reznor ceiling hung unit gas heater
    - ii. Window air conditioner
3. Lighting: T-12 8' fluorescent lamps in classrooms, typical
4. Fire Alarm: Minimal fire alarm, not compliant with current code; no detection or notification devices in classrooms
5. Carpet: Carpet is poor throughout school site
6. Storm Drain: Underground storm drain system is present; no maintenance issues reported by district
7. Roofing: No maintenance issues reported by district; although roofs are up to 30 years old

- Cawthon

Current Use: Entire school site is leased to Grace Christian School

General Observations:

1. Brick masonry base veneer at exterior of buildings is in fair to good condition, except at areas where trowel concrete coping is cracking and spalling
2. HVAC:
  - a. Admin building: Central AHU in closet with rooftop condenser
  - b. MPR building: rooftop package AC units
  - c. Classrooms:
    - i. Reznor ceiling hung unit gas heater
    - ii. Window air conditioner
3. Lighting: T-12 8' fluorescent lamps in classrooms, typical
4. Fire Alarm: Minimal fire alarm, not compliant with current code; no detection or notification devices in classrooms
5. Carpet:
  - a. MPR: Carpet is new (installed by lessee)
  - b. Admin building: Flooring is new
  - c. Classrooms: Carpet is in fair condition except for knife cuts that are prevalent
6. Storm Drain: Underground storm drain system is present; no maintenance issues reported by district
7. Roofing: No maintenance issues reported by district; although roofs are up to 30 years old
8. Underside of wood canopies exhibit signs of dry rot and/or termite damage in some locations

## Facility Funding Sources

The district's FMP has identified a list of projects that will ultimately need to be addressed. Potential funding sources that can begin to support the costs associated with these projects include:

State Funds: Currently, Cypress School District is eligible to receive state matching funds for completed partial modernization work at Landell, subject to availability.

Local Bond Funds: In 2008, the Measure M general obligation bond authorized the district to issue and sell bonds up to \$53.6 million in aggregate principal amount to provide for specific modernization projects at our schools. At this time, the district has \$11.9 million remaining of Measure M general obligation bond authorization.

Recent changes in law (Assembly Bill 182), effective January 1, 2014, now limit how districts may issue and sell general obligation bonds. The new law does the following:

- Limits the terms of current interest bonds under Government Code to 30 years, rather than 40.
- Limits all capital appreciation bonds (CABs) to a maximum of 25 years and 8% interest.
- Requires all CABs to have a call option after no later than 10 years from issuance.
- Limits the ratio of total debt service to principal to no more than 4:1 on all bond sales.
- Requires public disclosure of detailed information about any proposed use of CABs, including financing terms and time of maturity, repayment ratio, and estimated change in assessed value of property in the district over the financing term.
- Requires that if the bond sale will include CABs, then a resolution approving the sale must be presented to the governing board on two consecutive meeting agendas, first as an informational item and second as an action item.
- Requires that the agenda items for bond sales, including CABs, identify that CABs are proposed and that the governing board be presented with all the following: (i) an analysis containing the total overall cost of the CABs, (ii) a comparison to the overall cost of current interest bonds, (iii) the reason CABs are being recommended, and (iv) a copy of the written disclosure made by the underwriter to the district in compliance with Rule G-17 adopted by the federal Municipal Securities Rulemaking Board.

Under this new law, the district does not project being able to issue a third series bond sale until after the year 2025.

Special Reserve for Capital Outlay Projects: The district currently utilizes a Special Reserve for Capital Outlay fund to account for the financial resources to be used for the acquisition or construction of major capital facilities. Monies in this account include redevelopment pass-through revenues.

Asset Management Program: The district has an asset management program that maximizes the use of identified properties to generate unrestricted General Fund income to support educational programs and services for students. This program includes:

- Cawthon (*closed in 2010*): Currently leased to a private school organization.
- Damron (*closed in 2004*): Currently leased to a private school organization.

- Mackay (*closed in 1980*): An exchange agreement with a home developer was approved by the Board of Trustees on October 10, 2013. On November 4, 2014, a ballot measure was approved by the community allowing this property to be rezoned, which in turn enabled the district to execute the exchange agreement.
- Dickerson (*closed in 2009*): An exchange agreement with a home developer was approved by the Board of Trustees on September 11, 2014.
- As a result of the Mackay and Dickerson property exchange agreements, the district successfully identified and purchased the following income-generating properties:
  - Coast Apartments – A 65-unit apartment property located at 400 Merrimac Way, Costa Mesa. Total purchase price paid was \$20,050,000.
  - Azure Apartments – A 16-unit apartment property located at 2704 Vanderbilt Lane, Redondo Beach. Total purchase price paid was \$6,650,000.

Cypress School District uses the net income generated from these properties to support its educational program and provide enriched learning opportunities for students. Unexpended funds from the sale of both properties were used for capital outlay expenses to support the district's FMP.

- District Office Property: On November 12, 2020, the Board of Trustees approved a purchase and sale agreement with Melia Homes, Inc. in the amount of \$9,100,000, for the 6.22 acre district office property located at 9470 Moody Street, Cypress. The district plans to relocate its administrative headquarters to a recently purchased commercial office building located at 5816 Corporate Avenue, Cypress. The district's Maintenance/Operations, Transportation, and Technology department will be relocated to the currently closed Swain school site located at 5851 Newman Street, Cypress.

Developer Fees: In 1986, Assembly Bill 2926 (AB 2926) was enacted by the state. This law added various sections to the Government Code that authorized school districts to levy School Developer Fees on new residential and commercial/industrial developments in order to pay for school facilities. In addition, AB 2926 stated that no city or county can issue a building permit for a development project unless School Developer Fees have been paid.

Maximum School Developer Fees for 2020 are limited to \$4.08 per square foot of enclosed residential floor space and \$0.66 per square foot of enclosed commercial/industrial floor space. AB 2926 includes a means to allow School Developer Fees to increase every other year based on the statewide cost index for class B construction as determined by the State Allocation Board (SAB).

The district currently utilizes a Capital Facilities fund to account for all School Developer Fees received. This account can be used for the acquisition or construction of major capital facilities.

## **Recommendations/Next Steps**

District staff recommends the following:

- Board approval of the 2020/21 update to the Facilities Master Plan.
- Completion of tenant improvements and relocation of the district’s administrative headquarters to the Corporate Avenue site.
- Development of the closed Swain school site to accommodate the Maintenance/Operations, Transportation, and Technology department.