



**2023/24**

**Facilities**

**Master Plan**

## 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. The FMP is now updated annually and used as a tool by district 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:

- Complete modernization of Landell school site
- Technology refreshment/replacement
- Ongoing maintenance of two closed school sites (Cawthon and Damron)
- Possible reopening of a closed school site

## 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 (e.g., 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 (e.g., 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 5816 Corporate Avenue, Cypress, California 90630
- MOTT Office 5851 Newman Street, Cypress, California 90630
- Cawthon (Closed School) 4545 Myra Avenue, Cypress, California 90630
- Damron (Closed School) 5400 Myra Avenue, 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

## Current Enrollment & Projections

In 2022/23, the district served approximately 3,368 students (October 2021 CBEDS). 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.

The following shows the district’s 10-year enrollment trend:

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
3,931	4,003	3,963	3,974	3,977	3,924	3,852	3,578	3,450	3,368

Today, the district operates 6 schools for its approximately 3,400 students.

Cypress School District boundaries include most of Cypress as well as portions of La Palma and Buena Park. The following shows the district’s approximate student enrollment by city for the 2022/23 school year:

City	Approximate Percent of Students Served
Cypress	82%
Buena Park	8%
La Palma	5%
All other cities*	5%

*\*Interdistrict transfers from other cities*

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

		2016	2017	2018	2021
Cypress	Total Births	382	405	403	138
	Birth Rate	7.7	8.3	8.2	2.8
Buena Park	Total Births	911	930	931	485
	Birth Rate	11.0	11.2	11.3	5.9
La Palma	Total Births	121	128	116	33
	Birth Rate	7.6	8.1	7.4	2.1

## Future Residential Development

The Cypress School District community was fundamentally built out in the 1960s when it saw the opening of 10 new schools within 7 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 closure of four schools.

In June 2018 Cypress voters approved a plan to develop the Los Alamitos Race Course, which will include approximately 1,000 new housing units. The district currently has two 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	
Elementary	0.5 per dwelling
High School	0.2 per dwelling
Unified	0.7 per dwelling

## Completed Projects

School Modernization: The district’s successful modernization 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 modernization program has been supported by the district’s participation in the state’s School Facility Program, local redevelopment pass-through revenues, and certificates of participation (COPs), which is a type of lease financing, that were issued in 2013 for \$7.365 million.

School Modernization Completion Dates:

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

District Office: The district moved into the new district office building located at 5816 Corporate Avenue in September of 2021. This project included tenant improvements to the existing building to create office spaces, meeting rooms, and a Board room/training room that can be transitioned into three separate spaces. The district occupies the majority of the building and leases out space to approximately five tenants. The lease revenue supports building maintenance and improvements.

Maintenance/Operations, Transportation, & Technology (MOTT): The Maintenance/Operations, Transportation, & Technology department moved into the new MOTT facility located at 5851 Newman Street in January of 2022. This project included deferred maintenance work at the existing closed school campus to upgrade lights, flooring, paint, doors, etc. It also included the construction of one building, which serves as the mechanic shop.

Luther Parking Lot Expansion: Expansion of the Luther parking lot was necessary to meet staff parking and bus transportation needs associated with relocation of the district’s moderate/severe special education program. The expanded parking lot was completed and has been in use since January 2023.

Damron Deferred Maintenance Project-Phase 1: Routine maintenance work was required at Del Sol School on the Damron campus. This project included new flooring, paint, LED lighting, and miscellaneous repairs in 10 classrooms, as well as refreshment of one set of student restrooms and the addition of one accessible student restroom.

## Facility Projects for 2023/24

**Multipurpose Room Renovation Project – Estimated Cost of \$900,000:** Most multipurpose rooms in the district currently have minimal, outdated audiovisual systems to support events and performances. In addition, the multipurpose rooms need ceiling tile replacement, upgrades to LED lights, interior painting, and other minor renovations/repairs. The audiovisual system upgrade will occur during the summer and fall of 2023. The additional renovation work is anticipated to be completed in the spring or summer of 2024.

**Damron Deferred Maintenance Project Phase 2 – Estimated Cost of \$750,000:** In June 2023, Phase 1 of this project was completed. A second phase is needed to complete the remaining classrooms and the office. The scope will be similar to the first phase and address HVAC, lights, flooring, interior and exterior paint, and restroom fixtures. It is anticipated this work will be completed in the winter or spring of 2024.

**Landell Modernization 2024 Deferred Maintenance Project – Estimated Cost of \$750,000:** The scope will include renovation of the student restrooms with replacement of partitions, retrofit LED lights, repair and resealing of the floor and wall tile, and replacement of fixtures as needed. It will also include replacement of the HVAC units in all 11 portable classrooms. It is anticipated work will be completed in the winter or spring of 2024.

**Landell Modernization Furniture Replacement Project – Estimated Cost of \$250,000:** The furniture that is being used in the majority of the classrooms is over 20 years old and in need of replacement. As part of the modernization process, all schools received new furniture based on a district standard. This project will include replacing teacher desks, student desks, chairs, and bookcases. New furniture will be in place prior to the start of the 2024/25 school year.

## Closed School Sites

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.

- **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 for its own possible future use. To address existing conditions using a conservative approach for needed repairs, a budget of \$300,000 per site for the next five to seven years is recommended. This does not include any code upgrades, accessibility improvements, hazardous material removals, or program changes at these sites.

Basic deferred maintenance, per site: \$300,000

- **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, 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 were to be selected, similar costs would be incurred.

Emergency reopening, per site (Based on Damron): \$2,200,000

- **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. Damron was used as an example for these calculations. If another closed school site were to be selected, similar costs would be incurred.

Reopening with full modernization, per site (Based on Damron): \$12,000,000

## 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: The district will continue to pursue eligibility for state funding to offset modernization and expansion projects when applicable.
- 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.

Assembly Bill 182, effective January 1, 2014, now limits how districts may issue and sell general obligation bonds. This 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 law, the district does not project being able to issue a third series bond sale until after the year 2030.

- 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:
  - Lease of Closed School Sites
    - Cawthon (*closed in 2010*) – Currently leased to a private school organization.
    - Damron (*closed in 2004*) – Currently leased to a private school organization.
  - Property Exchange Agreements – 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.

The 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 – Five suites are leased at the 5816 Corporate Avenue property. The revenue from these leases is used to offset the operational costs as well as updates to the existing facility.
- 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 2022 are limited to \$4.79 per square foot of enclosed residential floor space and \$0.78 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.

## Next Steps

District staff recommends Board approval of the 2023/24 Facilities Master Plan which includes the following:

- Finish Multipurpose Room Renovation Project
- Continue deferred maintenance project at Damron
- Complete Landell 2023/24 modernization projects
- Begin development of full modernization plan for Landell