

August 22, 2007

To: Members of the Board
From: Tom Bishop
Subject: Article of Interest

Attached is the following article of interest:

- 11.1 *"District, city reach \$8.5 million sale agreement on Shores property" – Village Voice, August 2, 2007*
- 11.2 *"School District: Thanks for listening", Del Mar Times, August 3, 2007*
- 11.3 *"Ninth Street property to be sold to city", Del Mar Times, August 3, 2007*

District, city reach \$8.5 million sale agreement on Shores property

By Whitney Youngs

The Del Mar Union School District announced July 25 an \$8.5 million agreement to sell 5.3 acres of land known as the Shores property to the city of Del Mar. Deemed surplus by the school district in 2005, the land will be maintained by the city for public use.

The Winston School — a private campus for students with learning disabilities in grades four through 12 — currently occupies a portion of the site, in addition to the school district's administrative offices. The former, which has leased the site for the past 14 years, will continue with its lease agreement, as the city has plans to extend its contract for the maximum time frame allowed of 55 years. Over the past 20 years, the school has educated nearly 1,000 students and in recent years, 90 percent

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of its student population has gone on to two- and four-year universities.

The district's administrative and childcare operations will be able to remain on the property for up to three years in order to prepare for relocation onto a different site. The remaining portion of the site is intended for use as parkland and playing fields.

"This deal means that the Winston School is in Del Mar for at least two generations," said Headmaster Mike Peterson. "Winston's participation in the

acquisition of the site helps ensure the preservation of this one-of-a-kind open-space in the city of Del Mar. The terms of this agreement will allow Winston to improve the facility and educational programs of the school."

The official contract of sale was drawn up on July 31 and the city has until February 28, 2008 to close escrow, "allowing the community time to raise funds necessary to complete the purchase," according to a joint statement by the school district and the city. The decision was made during the board's closed session meeting.

"I am very pleased that we were able to reach a fair agree-

ment with the city of Del Mar," school board president Annette Easton said.

The Winston School had made the commitment to raise at least 35 percent of the \$8.5 million needed for the purchase of the land. It announced earlier this year that it has raised about \$1.1 million in pledges from board members, including a \$1 million gift from Louise and Mick Ukleja, whose daughter is a Winston alumna.

In September 2005, the school and a group of community members established the Friends of Del Mar Parks, an organization

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aimed at raising awareness of the Shores property and generating the funds needed if and when the city had reached an agreement with the school district.

In a related matter, in May, the school district began another attempt at removing a key deed restriction from the land that restricted its use to "school purposes only." An original attempt at clearing the deed of that restriction was thrown out by a court due to lack of proper posting.

The judge also ruled that Elise Kerckhoff, the woman who challenged the title action and the niece of William G. Kerckhoff, is legally precluded from enforcing the original deed restriction. Ker-

ckhoff, a distinguished Southern California developer, deeded the land in central Del Mar to the district in 1946 for \$10. The district hoped to make the land more attractive to potential buyers and ultimately fetching a higher sale price by clearing the restriction.

The district declared the once fully operational school site surplus in 2005, and negotiations between the school district and the city collapsed in 2006 after both parties failed to reach a consensus on a selling price. After the fall out, the city sued the school district under California's Naylor Act, a law that grants local cities the right to buy surplus school district land at a fraction of market value prices.

However, with new blood somewhat recently elected to the school board, talks resumed this

summer following a letter sent to Del Mar Mayor Carl Hilliard from Easton in early June requesting a revival of negotiations within 30 days.

The school district is legally required to spend the money from the sale on facilities needs such as "...purchasing, improving or maintaining facilities," according to Easton.

"Since the current administrative office will have to be relocated, some of the money will need to be spent on accomplishing that goal," Easton said. The district's use of the funds and the moving of the district's administrative offices will be discussed in open session, instead of the private sessions in which the Shores sale was discussed.

Carmel Valley News
Village Voice
August 2, 2007

Del Mar Times, August 3, 2007

OPINION

School district: Thanks for listening

It seems cooler heads prevailed at Del Mar Union School district offices, and a sale of the district's surplus Ninth Street or Shores property to the city of Del Mar is now a done deal.



Whether finally bowing to increasing community pressure, or clearly seeing the writing on the wall in regard to quiet title actions and heirs waiting in the wings, the district has made the right call — sell to the city at a reasonable price under zoning and be done with it. This issue had taken up too much time and attorney fees to be considered a priority topic any longer.

The Shores property means a lot to a lot of people in Del Mar, and those people have expressed that to the district ad nauseum over the course of many months. We'd like to think that the input was taken to heart in at least some small way.

Congratulations to both sides for finally get-

ting this thing done, and congratulations to the wonderful Winston School — we know your limbo status was hard on both students and administrators. Hopefully, the city will do you proud as a new landlord. Your work with a very important segment of our student population can't be emphasized or supported enough.

We have a sneaking suspicion, though, that we haven't heard the end of the phrase 'surplus property' from the Del Mar Union School District.

Not to cause more consternation in the community, but a thought arises.

As the build-out of Carmel Valley winds to a close in the coming years, and enrollment caps fall by the wayside, the need for two west of I-5 schools within one-mile of each other — Del Mar Hills and Del Mar Heights — might become an issue.

On second thought, maybe it won't be so gradual.

According to the district, a big part of this

Ninth Street thing has always been finding a suitable home for district offices. Now they are tasked with finding a home, including maintenance and storage facilities, in a relatively short time period. Where that new home will be is anyone's guess, but the first place to look, will be already existing real estate assets — as a possible location or source of revenue.

Enter one of the two Del Mar Heights area schools, both valuable pieces of property — Del Mar Heights School especially so, with views of the ocean and Torrey Pines Reserve.

After all, neither of the schools is located in the city of Del Mar. District officials are probably more than grateful by now for that none-too-small detail.

Note: With this issue, we have unveiled a new look for our paper. We hope the redesign and increased local coverage will meet with your approval and make our publication even more enjoyable to you, our valuable reader. Let us know what you think.

DEL MAR TIMES

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Ninth Street property to be sold to city

COMMUNITY HAS SEVEN MONTHS TO RAISE FUNDS.

By Jim Kerr

Del Mar, you have your open space. Now, it's time to pony-up the funds. After several years of intense discussion, closed-door negotiations and lawsuits, the Del Mar Union School District has agreed to sell its surplus-designated Ninth Street or "Shores" property to the city of Del Mar for \$8.5 million. Under the agreement, the sale is dependent on the community raising the funds in a seven-month period. If not, the agreement becomes void.

"We are obviously thrilled to have the chance to maintain Del Mar's last remaining open space," said Del Mar Mayor Carl Hilliard, "It will be a crown jewel of Del Mar."

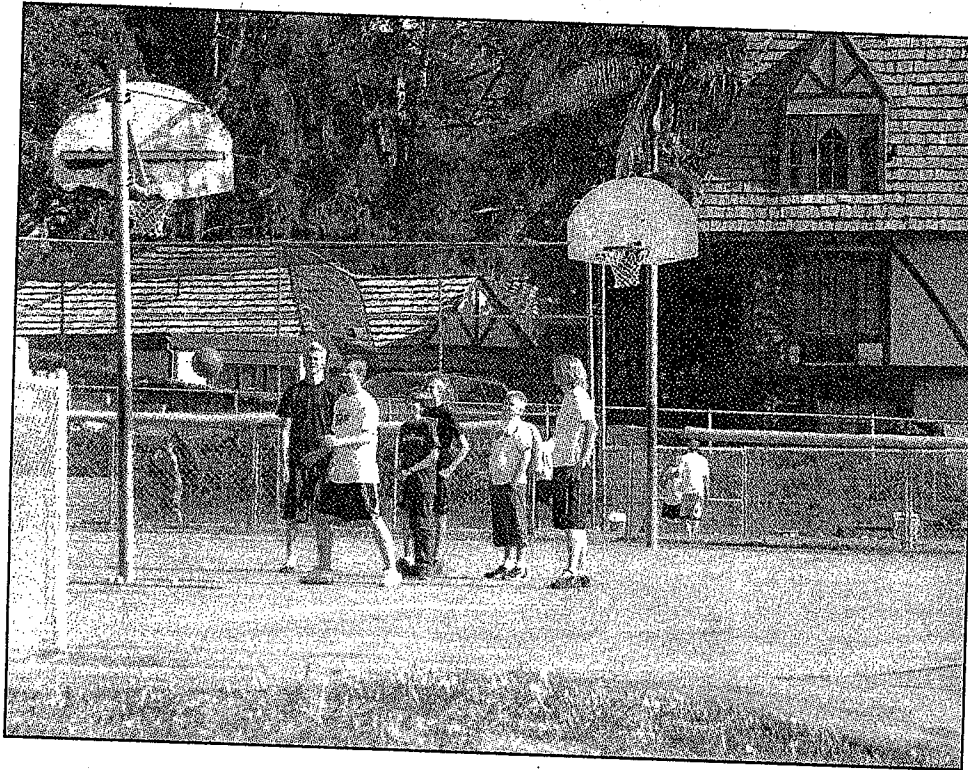
"And it only took five years."

Hilliard was being facetious, of course.

The Ninth Street saga has been a long and tenuous affair.

In late 2002, the notion was first raised of some sort of shared-use arrangement of the property between the district and the city. In 2003, much-ballyhooed talks began between the two parties, but disagreements over price and logistics stalled negotiations.

Two years later, a district committee designated the property surplus, essentially paving the way for the property's sale on the open market. That began a community quest to preserve what many considered the last portion of undeveloped open space in the city.



The Del Mar Shores property has been saved from development after a deal between the city and the Del Mar Union School District.

Encompassing 5.3 acres in a mainly residential area of Del Mar, the property contains school district offices and employee childcare, maintenance facilities, a large baseball field and blacktop play area, and the private Winston School, located in aging buildings that once housed Del Mar's only elementary school, the Del Mar Shores School.

Eventually, in conjunction with a community grassroots fund-raising organization, Friends of Del Mar Parks — an arm of the Del Mar Foundation — the city made the district an offer of \$6 million for the property.

The district, in turn, held fast on a \$12 million offer, saying it had a 2005 appraisal

based on re-zoning the western portion of the property, that came in at \$32 million. The city's appraisal, made about a year earlier, placed the value at \$4.4 million under current zoning, which requires public facilities only.

The negotiation process deteriorated further when the district hinted they had other parties interested in the property and the city sued the district under aspects of the Naylor Act, a state education code proviso that requires school districts, under certain circumstances, to sell property to cities at a reduced rate.

Further complicating matters later, was a district lawsuit against a professed heir of the property Elise Kerckhoff, and what became a botched quiet title action on a deed restriction calling for the site to be used for school purposes only. The district also revealed in June that they had spent over \$230,000 in various legal fees pertaining to the property.

Evidently, enough became enough for the district.

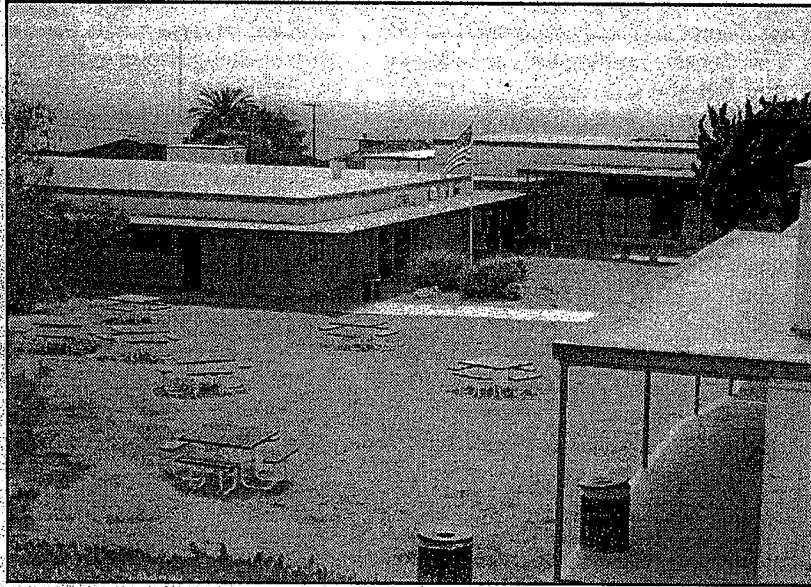
The deal with the city came together fairly quickly, with an initial offer made to the city in early July, a counter offer made to the district on July 11, and a revised-counter offer submitted to the city on July 20. The Del Mar City Council accepted the revised counter offer during a closed session meeting on July 23.

Under terms of the sale agreement, the district will have three years to maintain their district offices at the site, until they build or relocate at another location.

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The Del Mar Shores property has been saved from development after a deal between the city and the Del Mar Union School District.



DANIELLE CADIEUX

NINTH STREET, FROM PAGE 1

DEL MAR SCHOOL DISTRICT AGREES TO SELL NINTH STREET PROPERTY TO CITY

The agreement also means the preservation of the Winston School, which serves students with learning differences. Under a memorandum of understanding with the city drafted last year, the school will be given a 55-year lease, but with a provision that they improve and renovate the school's aging buildings. The school community is also expected to raise 35 percent of the site's purchase price.

"This is a great day for Winston," said

Headmaster Mike Peterson. "This deal means that the Winston School is in Del Mar for at least two generations.

Now begin efforts in earnest to raise the \$8.5 million amongst the community.

The Friends of Del Mar Parks' Laura DeMarco, who has long been an advocate for preservation of the site, estimates \$3 million to \$4 million is still needed. The Winston School says it has pledges totaling \$1.1 million.

"We have significant pledges already," said DeMarco, "and a lot of donors were just waiting for details of the deal."

"It's a big job," she adds, "but not only will we acquire the land, we will make it even more beautiful."

For more details go to www.delmarparks.org.

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