Cubberley Community Advisory Committee (CCAC)

Meeting # 9

September 19, 2012
Cubberley Community Center
4000 Middlefield Road, Palo Alto, CA 94303
Theater
5:30-7:30 PM

1. Welcome and call to order

2. Oral communications

3. Approval of the September 5 meeting action notes

4. Finance Subcommittee presentation, definition of problem, and discussion

5. Community Needs Subcommittee definition of problem, staff update on Cubberley tenants survey, and discussion

6. School Needs Subcommittee definition of problem and discussion

7. Discussion of inter-subcommittee communication

8. Discussion of potential joint use sites to visit and the process for visiting

9. Future meetings

10. Adjournment

ADA. Persons with disabilities who require auxiliary aids or services in using City facilities, services, or programs or who would like information on the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact (650) 329-2550. Sign language interpreters will be provided upon request with 72 hours in advance notice.

Meeting materials will be provided at the meeting. Visit www.cityofpaloalto.org or call (650) 617-3174 for more information.
Cubberley Community Advisory Committee (CCAC)

**Action Notes**

**Meeting # 8**

September 5, 2012
Cubberley Community Center
4000 Middlefield Road, Palo Alto, CA 94303
Room H-1
5:30-7:30 PM

1. Welcome and call to order

2. Oral communications
   - George Browning spoke
     - CCAC members should make sure to read what the IBRC wrote about Cubberley
     - The City should be clearer about what is expected of the artists who rent space at Cubberley including how they exhibit and how their rented space is used

3. Approval of the August 22 meeting action notes
   - Approved with the change of 2012 to 2013 on page two of the draft

4. Introduction by CCAC Architect John Northway
   - Thinks the work of the CCAC is going well and commends everyone for their work so far
   - Wants everyone to keep working toward defining “the problem” and believes progress on this front has been made

5. Presentation by the School Needs Subcommittee followed by a group discussion and questions
   - School Needs Subcommittee Chair Bern Beecham lead the presentation
     - Beecham reiterated the School Needs Subcommittee deliverables
     - Presented preliminary conclusions
     - SEE ATTACHED POWER POINT
     - Beecham presented the spreadsheet that shows the acreage per student at all of the PAUSD schools
       - Showed significant variance
       - High schools were about 45 acres on average vs. full Cubberley site is 35 acres
Presented what happened at the September 4, 2012 PAUSD Board meeting including the PAUSD Cubberley interests

- Co-Chair Lowell added that the School Board purposefully left things open ended to allow the CCAC to do its work
- A number of clarifying questions were asked on PAUSD positions
- PAUSD Superintendent Kevin Skelly then presented clarifying information
  - Need for a middle school could arise by 2020
  - PAUSD is evaluating all options for land use and recognizes one story options are not the future
  - A lot of questions were asked about what was driving the school boards position and Skelly communicated that it is based on a long history of enrollment growth and Board positions
- Problem stated: maximum flexibility limits what you can do on the site
- Problem stated: the sometimes conflicting wants and needs of all parties involved with the Cubberley site

6. Response by the Finance, Facilities, and Community Needs Subcommittee Chairs to the School Needs Subcommittee presentation

- Finance Subcommittee mentioned a few problems:
  - Both the City and PAUSD are dealing with budget problems
  - PAUSD wants to keep the $7 M payment from the City and the City feels like it needs some or all of it for other expenses
- A number of “problem” statements about Cubberley were then made:
  - Prioritization is difficult
  - Determining what uses the City should subsidize on the site is difficult
  - Using existing facilities is cheap but does not allow as much potential density
  - CPAC direction to focus only on the Cubberley site does not allow for other site consideration
  - Uncertainty around the question “if an important community use is at Cubberley and this site becomes unavailable will the use be able to continue elsewhere”
  - Maintaining maximum flexibility for PAUSD at the site significantly impacts what the City can do with the site including a potential bond measure
  - PAUSD wants to keep the $7 M in rental revenue but the City budget issues make that payment difficult
  - Community acceptance of a bond measure for Cubberley is questionable
  - The City rushing to 2014 bond measure may force an eight acre community center bond measure without PAUSD
    - Would PAUSD/the community support that?
  - Joint bond for a joint-use facility would need to be built to State Architect’s standards and would be more expensive
- There may be effects on operating budgets if changes are made to programming uses
- Needs for the site may shift over time
- PAUSD and community needs are growing in parallel
- How the uses at Cubberley should be determined is difficult

- A number of facts were also raised in the course of discussion:
  - Maintenance need is $33M to “keep dry” in the short-term
  - Additionally, currently unbudgeted funds are needed for maintenance in the mid-term at the site

7. Future meetings

8. Adjournment
CCAC Subcommittee Presentations

1. Finance Subcommittee
2. Community Needs Subcommittee

September 19, 2012

CCAC Finance Subcommittee Presentation

Problem Statement

September 19, 2012
Short Term
(2014-2019)

1. City has identified over $3 M of capital improvements in addition to normal operating & maintenance and programming expenses
   • Funding for these is contained in the City's Capital Improvement Plan
   • Can the City and School District share the expense?

Short Term
(2014-2019)

2. If the lease is to be renewed:
   I. How feasible is it to raise rents for current tenants and/or attract new tenants to better cover the expenses?
   II. Are there tenants in waiting to replace the loss of revenue from Foothill College when Foothill moves its operations to Sunnyvale?
   III. Financial circumstances have changed for both the City and the School District. Are there modifications to the current lease terms that still allow both the City and the School District to largely achieve their objectives?
Short Term
(2014-2019)

3. The timing for a bond election to finance joint improvements appears to be different for the City and the School District
   • The City is contemplating an infrastructure bond measure in November 2014 and the District has no immediate plans

Short Term
(2014-2019)

4. There is a growing list of deferred maintenance and repair items due to the uncertainty of site control
5. The income from the Utility Users Tax is flattening while the formula contained in the Lease and Covenant Not to Develop continues to escalate the payments made by the City to the District
Medium Term
(Up to 15 Years)

1. The City has identified over $18 M of capital improvements that will extend the life of the buildings
   • These would need to be mostly accomplished during the next 10 years
   • Funding for these improvements is uncertain

Medium Term
(Up to 15 Years)

2. Can the School District’s long term needs for the site be clarified during this time period so that funding and construction plans can be finalized?
3. Without clarity from the School District as to its future needs for the site, the City might feel compelled to go at it alone on the 8 acres, thereby intensifying the use on the site and potentially forgoing innovative and/or cost saving joint uses.
Long Term
(Beyond 15 Years)

1. Will there continue to be space for community serving uses on the site?
2. If so, how will the City and the School District fund new construction and/or remodeling? Ongoing maintenance?

Long Term
(Beyond 15 Years)

3. General obligation bonds issued by the City require a 2/3 majority vote:
   I. 2/3 is a high hurdle
   II. Only residents would be paying for improvements which some might consider unfair if the buildings have joint use
   III. Generally, bonds are amortized over a 30 year period so the City might want assurances that the buildings constructed for community use would remain available to the public for that period of time.
Long Term
(Beyond 15 Years)

3. General obligation bonds issued by the City require a 2/3 majority vote:
   IV. The amortization period could be shortened but that would result in:
      I. Higher tax rates for City residents
      II. Greater cost for the School District to buy improved property from the City

Long Term
(Beyond 15 Years)

4. General obligation bonds issued by the School District require a 55% majority vote:
   I. Buildings constructed using School District bonds must meet stringent earthquake safety standards, thereby increasing the per square foot cost of construction
CCAC Community Needs Subcommittee Presentation

Problem Statement

September 19, 2012

Overall
(Problems Looking Forward)

1. PAUSD has stated a need for flexibility to open a school or schools at Cubberley when increasing enrolment warrants it. This conflicts with City’s need for long term ownership of part of site in order to build and develop a community center to better serve the needs of our growing population, particularly in South Palo Alto
Overall
(Looking Problems Forward)

2. PAUSD depends on the lease payments to fund its programs; the City needs to direct additional resources to other community needs

*These challenges or "problems" lead to the following more detailed challenges and tasks. Please note that division into short, medium, and long term does NOT mean that we should wait 5 years before addressing medium term problems and 15 years before addressing long term problems. The time to plan is now.

Short Term
(5 Years)

1. We need time to plan for the Cubberley site and the current Lease and Covenant expires in 2014
2. We need to understand current usage and maximize revenue from Cubberley rentals
Medium Term
(5-15 Years, or until PAUSD reclaims most of site)

1. We must negotiate a new Lease and Covenant that provides for additional development of schools as needed and provides the opportunity for the early phases of developing a true community center at Cubberley, including ongoing use of the fields
2. We need to create a vision of what a real community center at Cubberley might include and a vision of an appropriate, functional, up-to-date community center facility

*Note that bonds are usually repaid over 30 years so this needs a long term understanding
Medium Term
(5-15 Years, or until PAUSD reclaims most of site)

4. We need to organize clear and fair criteria to prioritize future community center users
5. If part of the site is under construction as we move to the long term we will need a careful transition plan that is mindful of tenants’ need for continuity

Long Term
(After PAUSD reclaims a significant portion of site)

1. We need to develop a new lease or other legal agreements that would work best to ensure long-term success in developing Cubberley to serve our entire community into the future
2. Determine the challenges in having shared spaces and/or adjacent spaces serving different clientele and how to meet them so the entire community benefits
Long Term
(After PAUSD reclaims a significant portion of site)

3. Determine how to provide spaces that are flexible to serve the changing needs as community populations in various ages ebb and flow.

4. If PAUSD decides to open another comprehensive high school at Cubberley, they would need to convert some of the current softball/soccer complex to baseball fields and this would limit the practice opportunities for current users, particularly the youngest. Need alternative location.