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VIA ELECTRONIC AND OVERNIGHT MAIL

June 14, 2018

Jessica Bui, Assistant Planner
City of Huntington Beach
2000 Main Street, 3rd Floor
Huntington Beach, CA 92648

RE: Former Franklin School Site, 14422 Hammon Lane, Huntington Beach, CA 92647
Response to Inquiry from Gary Elmer

Dear Ms. Bui:

Westminster School District ("District") is in receipt of the May 31, 2018 e-mail correspondence from Gary Elmer regarding the District's ownership and use of the above referenced property ("Property"). As noted by Mr. Elmer, the District entered into an "exchange agreement" with a private party, TRI Pointe Homes, Inc. ("TRI Pointe"), in which the District gives the Property to TRI Pointe in exchange for another property as authorized by Education Code section 17536. Mr. Elmer suggests that the District's exchange is somehow invalid based on a number of misstatements and mischaracterizations of the District's ownership of the Property and its prior actions. As explained below, the District's exchange is in compliance with applicable law and does not violate any condition of the District's Property ownership.

First, Mr. Elmer's suggests that the District received the Property "without paying any compensation," which is incorrect. In 1962, the District obtained the Property through condemnation proceedings by compensating the owner of the Property a total payment of \$151,000. As acknowledged in Mr. Elmer's email, the Property's recorded documents include a Final Order of Condemnation ("Final Order") confirming that the District properly obtained the Property through the legal condemnation process and this payment. Upon obtaining the Property, the District operated the Franklin Elementary School Site in accordance with the Final Order.

There is nothing in the Property's recorded documents, including the Final Order, or applicable law that requires the District to operate the Property as a school site in perpetuity. Instead, the Education Code, recognizing that school districts have changing property needs and limited financial resources, authorizes the District to dispose of real property it no longer needs through various avenues — including the exchange process. Mr. Elmer's suggestion that the court would not have allowed the District to acquire the Property "had the WSD wanted to build a housing tract and sell the homes" is unsubstantiated and irrelevant. The District operated a school site on the Property for approximately 30 years, until it determined the Franklin School site was no longer needed. The District is not required to continue operating the Franklin School Site even though it

is no longer needed to serve District students. This would remain true even if the District paid nothing for the Property.

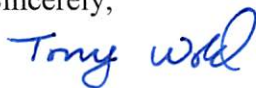
Mr. Elmer also includes general statements regarding "how public school construction and land acquisition was financed back in the 1960's." However, please note that the type of funds used by the District to acquire the Property does not affect the District's right to exchange the Property as authorized by the Education Code. The only restriction on the disposal of school district property based on funding is found in Education Code 17462.3 which only applies when a school district sells a property within ten (10) years of using certain State funds to purchase or improve property. This does not apply in this situation, because the District acquired the Property in the 1960s, has not used State funds to improve the Property within the last ten (10) years, and is not selling the Property.

While the District understands Mr. Elmer has concerns about the future development of the Property, the District has a fundamental obligation to meet the needs of its students. The Education Code allows school districts to continuously assess their property needs and dispose of property no longer need for school purposes. The District followed the requirements of the Education Code, determined that the Property is no longer needed as a school site, and decided the exchange agreement with TRI Pointe offered the best opportunity to meet the current and future needs of its students. The process and terms of the exchange agreement have and will comply with the requirements of Education Code section 17536.

As always, the District is happy to address any additional concerns the City may have regarding the exchange agreement or the Property. However, as indicated above, any suggestion by Mr. Elmer or others that the District's exchange agreement is somehow invalid based on the Property's title documents or funding history is simply untrue.

Should you have any questions, or wish to discuss, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Tony Wold".

Tony Wold Ed.D.

Asst. Superintendent, Business Services

twold@wsdk8.us

714-894-7311 ext. 1032

cc: Andreas C. Chialtas, Esq. Atkinson, Andelson, Loya, Ruud & Romo