

BOARD MEETING MINUTES

February 10, 2020

Call to Order

Vice-President David Wilson called the Study Session of the Shoreline Board of Directors to order in Room D105 of the Administrative Offices at the Shoreline Center at 5:00 p.m. on February 10, 2020.

Roll Call

Present: Heather Fralick, President (*attended remotely by phone*); David Wilson, Vice-President; Sara Betnel, Member; and Meghan Jernigan, Member. Rebeca Rivera, Member arrived later.

Absent: Michael Closson, Shorecrest Student Representative and Cynthia Ruelas, Shorewood Student Representative.

The following topic was discussed:

Property Management

Marla S. Miller, Deputy Superintendent, presented.

Ms. Miller began with a map of the district properties from Puget Sound to Lake Washington and the Seattle city limits (145th Street) to the county line (205th Street). Some of the sites listed are not currently being used as schools. These are sometimes referred to as surplus in the sense that we're not using them on a regular daily basis for school purposes; however, in legal terms they may not have been formally declared surplus by board action. Ms. Miller expressed appreciation for previous administrators who made decisions to hold on to properties rather than sell them. Once gone, it can be very difficult to find property of the right size at a reasonable price.

A complete listing of the District's properties was shared with the Board (see below).

Open Schools	Year Built	Acres	Building Sq. Ft.
Briarcrest Elementary	1954, 1986	6.49	55,061
Brookside Elementary	1954, 1994	6.263	55,658
Echo Lake Elementary	1956, 1996	7.83	50,604
Highland Terrace Elementary	1957, 1991	9.2	57,891
Lake Forest Park Elementary	1952, 1966	10.3	58,961
Meridian Park Elementary	1958, 1996	22.21	112,205
Parkwood Elementary	2019	7.03	64,610
Ridgecrest Elementary	1947, 1992	10.86	64,094
Syre Elementary	1962, 1991	7.5	55,949
Einstein Middle	2020	10.3	150,000
Kellogg Middle	2020	20.0	150,000
Shorecrest High	2014	38.38	230,625
Shorewood High	2013	26.35	242,779

Additional Schools/Sites	Year Built	Acres	Building Sq. Ft.
Aldercrest Elementary	1959, 2020	9.78	48,700
Edwin Pratt Early Learning Center	2018	6.83	55,550
North City Elementary	1955, 1986, 2019	13.2	52,795
Shoreline Center	1954, 1988	35.03	218,267
Transportation Center	1960, 1996	3.393	12,578
Central Kitchen/Warehouse	1965, 2000, 2011	2.94	21,571
Aldercrest Annex	N/A	18.41	No Building
Cedarbrook Site	N/A	11.03	No Building
Paramount School Park	N/A	9.04	No Building
Sunset School Park	N/A	6.55	No Building

One of the properties on the west side of the district is Sunset (former elementary school), which is currently being used by the City of Shoreline as a park with the understanding that in the event the property is again needed for school purposes, the District could recapture and make it an active school site per RCW 28A.335.040. That recapture verbiage is embedded in all lease agreements. The Sunset building was fully depreciated and was demolished. Vacant buildings can become an attractive nuisance.

On the east side of the district, properties not currently being used as school sites include:

- Paramount Park – currently being used by the City of Shoreline for park purposes
- Cedarbrook - building was more than fully depreciated and was demolished a couple of years ago – this site has considerable water issues that would need to be addressed before any rebuilding could occur on the site. This property resides in Shoreline and the City has expressed possible interest in the past but more so if it was a joint endeavor with the City of Lake Forest Park.
- Aldercrest Annex – a fire occurred on the property several years ago; buildings have all been demolished primarily due to the “attractive nuisance” component. There are no fully developed fields on site and there are no organized activities there at this point; it is primarily used by community members for dog walking. It was most recently used by a lacrosse team and before that, President Fralick reported that the Ballinger Neighborhood Association used the field for a community outdoor movie night during the summer.

Other properties include the Transportation Center and the Central Kitchen, which is tucked into Hamlin Park.

Superintendent Miner asked what the current life expectancy is for new schools and how often the building conditions reports get updated. The state legislature wanted to have good information about the condition of school buildings across the state so they implemented a database (ICOS) that has common reporting requirements for all school districts. The database also represents depreciation. Districts are required to update the information every six years by physically going through each building and identifying the condition. In addition, a state-credentialed consultant assesses all detailed aspects of every building. For example, reports may indicate that buildings that were in “excellent” condition six years ago may have moved down to “good” condition. Each building is individually assessed and then awarded a score by the consultant.

Prior to the 2017 bond measure, staff wanted to be sure they were working with good information on the condition of our buildings. A consultant was hired to perform a detailed analysis of all the sites in the district. Ms. Miller shared the 2015 facility condition data and explained how the Facilities Planning Committee used the information to determine which buildings would be included in the proposed building replacements. Syre was actually in the worst condition on the 2015 report; however two of the components that pushed it into that range, roof and HVAC, were already on the list to be replaced. Those improvements were made, resulting in Syre no longer having the lowest score of occupied buildings. It then became clear that in studying the individual conditions reports, Parkwood was in need of replacement. It not only was deteriorating but it was also designed in such a way that it didn’t really facilitate the educational program that the school honors so beautifully with their support for special needs students and their inclusiveness. That assessment moved Parkwood up in the committee’s recommendation for the bond.

The buildings that have been built with state match funds since 1993 need to be assessed each year. The annual assessment may be performed by district staff but the six year assessment needs to be completed by a consultant. Currently, Shorecrest and Shorewood fall into that category but now Parkwood will join that list. All buildings are scheduled to be assessed in 2021.

President Fralick asked if Meridian Park and Lake Forest Park had any significant improvements since 2015 to improve their “fair” assessment. The roof and some exterior work was completed at Lake Forest Park.

No major projects have been undertaken at Meridian Park since 2015. Ridgecrest was also rated as “fair” but work that has been completed there should move it out of that category. Ms. Miller stated that she would provide some additional information on those three schools.

The 2015 report also included information on the facilities that were being used in ways other than schools. Cedarbrook tested in the “unsatisfactory” category and needed to be demolished. The Shoreline Children’s Center tested in the “poor” category so that building made the top of the list for replacement. Shoreline Center had some mixed results with significant drainage issues, asphalt that needs to be replaced, HVAC system in need of replacement at some point, and completion of roof repairs/replacement.

Director Jernigan asked if there were any legal restrictions around housing students in an “unsatisfactory” building. Ms. Miller responded that there aren’t any. This building condition assessment is relatively new from the state’s perspective. It was a way for the legislature to have a common, calibrated way of weighing the needs with one part of the state verses another in order to build a needs list and find additional funding.

President Fralick asked when the ICOS report was established. Ms. Miller responded that it was around 1993.

Director Jernigan asked what purpose the older part of the Shorewood campus serves now. Ms. Miller explained that basically it was preserved and incorporated into the design of the new building as part of historic preservation. Currently, that area is used for music rooms. It housed the Shoreline Historical Museum for many years. Director Jernigan also asked if Aldercrest had ever been a school before it was renovated for Cascade K-8 and Home Education Exchange. It had been an elementary school many years ago. It had been leased for approximately 30 years for various uses and most recently had been used by a church for a number of years.

The Shoreline Center includes areas such as the soccer fields, tennis courts and Spartan Gym that are owned by the District but managed by the City. There are a number of properties for which the City and the District have a Joint Use Agreement that defines responsibilities. For example, if there is an issue at the restrooms at Paramount School Park, the City has responsibility. If there is an injury on the playground, the City has responsibility. The Joint Use Agreement was last updated in August 2017. The revisions were approved by the Board and by the City Council. A full copy is on the District’s website. This cooperative relationship between the City and the District has been very beneficial for the community.

Director Betnel asked if the District had ever attempted to remove redlining from the original property deeds. Ms. Miller indicated that deed restrictions are extremely difficult to remove and there are restrictions on some of the District’s properties. For instance, the Boeing family gave Shoreline School District the property for Highland Terrace. Some of the covenants originally associated with property in that area were cringe-worthy. Having worked with attorneys in the past to determine what it would take to clear deed restrictions, Ms. Miller stated that, at the time, it was not something to tackle but that doesn’t mean we couldn’t reevaluate. The historical documents will remain and if an owner is not using the property in the way it may have originally been intended (households with servants), the restrictions listed have no effect.

A discussion ensued with board members regarding various additional pieces of property that are owned by the District, e.g. triangular strip between Shoreline Community College and Highland Terrace, half of 25th Avenue in front of Kellogg, area around Shoreline Stadium. Ms. Miller, as mentioned in previous meetings, also explained about the one parcel of property that includes both Meridian Park Elementary and Edwin Pratt Early Learning Center, which was the driver for the District being required to provide frontage improvements along Meridian Ave. N. and N. 175th as part of the Edwin Pratt construction project.

Director Rivera inquired about the condition of the ground near Aldercrest. There was a very large sinkhole that developed several years ago on 25th Avenue. She wondered if there were any negative implications for the District's properties in that area. President Fralick responded that was something investigated and repaired by the City of Shoreline. Ms. Miller reported that the City had performed wetland delineation as part of the Brugger's Bog maintenance area. That delineation did have some impact on district property. There are some wetlands that had not been previously identified that now need to be avoided.

Ms. Miller reviewed the RCWs pertaining to school district property management and use of proceeds, specifically 28A.335.040, 28A.335.120 and 28A.335.060. As mentioned earlier in the presentation regarding Sunset, Ms. Miller highlighted Section (1) from RCW 28A.335.040, which states:

“Every school district board of directors is authorized to permit the rental, lease or occasional use of all or any portion of any surplus real property owned or lawfully held by the district to any person, corporation, or government entity for profit or nonprofit, commercial or noncommercial purposes: PROVIDED, That the leasing or renting or use of such property is for a lawful purpose and does not interfere with conduct of the district's educational program and related activities: PROVIDED FURTHER, That the lease or rental agreement entered into shall include provisions which permit the recapture of the leased or rented surplus property of the district should such property be needed for school purposes in the future except in such cases where, due to proximity to an international airport, land use has been so permanently altered as to preclude the possible use of the property for a school housing students and the school property has been heavily impacted by surrounding land uses so that a school housing students would no longer be appropriate in that area.”

This specific language requires that every lease agreement include the clause regarding recapture. This always calls into question how much any particular entity would want to invest into a property that is not their own. She related an experience in her previous district when she negotiated a very long-term lease with Costco. The final agreement included verbiage around 1) notice of an extended lead time in order to find a suitable alternate space; and 2) a provision for the school district to make Costco whole for the un-depreciated value of what they had invested.

Director Jernigan asked for additional guidance related to the above RCW in terms of the portion, “does not interfere with conduct of the district's educational program and related activities. Has the District defined what that impact looks like and how we measure that impact on a school? Ms. Miller responded that we don't have a standing definition. With the recent lease of the F Wing at the Shoreline Center by the North Seattle French School, Ms. Miller explained that staff felt the wing could be leased and their activity wouldn't interfere with the District's ability to carry out its work. A different site could bring about different conversations so the impacts vary. Leasing or renting property is a choice that a school district makes but they are not compelled to do so by law. A district can weigh the advantages and disadvantages and then make an informed decision. The North Seattle French School considered adding a preschool option; however, that would have required sprinklers in the ceiling, at their expense. The school, as it is now, is not required to have sprinklers. Knowing they may not still be in the building 10 years from now made that option cost-prohibitive for the school.

Director Betnel reported that there is a proposed language change currently being reviewed in the legislature to amend the clause in RCW 28A.335.040 regarding proximity to an international airport. The proposed bill seeks to include “or if the property was used for the purpose of affordable housing”. If passed, the bill would be backdated to 2018.

Regarding the clause in Section (3) of the RCW 28A.335.040 that speaks about publishing a written notice in a newspaper of general circulation in the school district, Director Betnel asked if there was a definition of general circulation. Ms. Miller responded that it was more a matter of auditing rather than a specific definition. In Shoreline, the *Seattle Times* is used as the newspaper of general circulation for our residents.

In Edmonds, she used The Herald as that was more widely circulated in that area. However, this is just the minimum and if a district chooses, they can always do more. Bids for Shoreline projects are typically published in the *Seattle Times* as well as in the *Daily Journal of Commerce*. There is no obligation, at this time, to publish on the district website.

RCW 28A.335.060 states in Section (1): *“Moneys derived from real property shall be deposited into the district’s debt service fund and/or capital projects fund, except for . . .”* The first rule of thumb is that all moneys go into the capital projects fund. Then, if there is general maintenance, Section (1)(a) states: *“Moneys required to be expended for general maintenance, utility, insurance costs, and any other costs associated with the lease or rental of such property, which moneys shall be deposited in the district’s general fund.”* Returning to the example of the North Seattle French School, Ms. Miller stated that the lease revenue is split because there are general maintenance and utility costs associated with the Shoreline Center building; the remainder goes into the capital projects fund. In a land lease where there are no building costs, all of the revenue would be placed in the capital projects fund.

If a district determines it no longer has any need for capital projects moneys, Section (1)(b) allows for complete placement into the general fund. *“At the option of the board of directors, after evaluating the sufficiency of the school district’s capital projects fund for purposes of meeting demands for new construction and improvements, moneys derived from the lease or rental of real property may be deposited into the district’s general fund to be used exclusively for nonrecurring costs related to operating school facilities, including but not limited to expenses for maintenance.”* Ms. Miller has no knowledge of any districts ever doing that but there are districts that have had very challenging general fund shortages for which they considered selling property in order to put money into the general fund. This law was written to prevent that from happening as it is considered to be a short-term solution to a long-term problem.

In answer to Director Rivera’s question about nonrecurring costs mentioned above under Section (1)(b), Ms. Miller used textbooks as an example, which is a defined purchase and not ongoing as paying for staff would be.

Director Jernigan asked if a district would be allowed to lease property for an expressed purpose and then state that any generated revenues would be used for that expressed purpose. Ms. Miller responded that sales of property are typically dedicated for a specific use but she hadn’t seen that before with a lease. She noted that there is a general rule of thumb that one school board does not put restrictions on the constraints that can be placed on a future school board. In contrast, one option might be to include specific instructions for the revenue in the adoption of the annual budget; that way the current school board is not setting restrictions on any future school board. Superintendent Miner added that would give the current board in that situation more flexibility in the event of any type of an emergency that may occur.

Director Betnel asked about the plans for next year for North City. Ms. Miller responded that there is no desire to leave it vacant, especially given the amount of money that has been put into it; staff is working on a proposal and when complete, a recommendation will be brought to the Board for approval. Director Betnel also inquired as to whether or not Cedarbrook should be included on the list of district property currently being used for something other than an operating school. Up until just very recently, there was a restriction on Cedarbrook in regard to the demolition of the building. Once the building was demolished, there was a series of environmental testing that indicated there was a concentration (below the reporting threshold) of diesel fuel from a tank that was formerly on the site. This required monitoring for a year and reporting to the Department of Ecology. A letter was just received stating the Department was satisfied with the reporting and that no further action was needed.

Approval of leases is recommended to the Board, typically in July. Ms. Miller shared the current annual and multi-year leases.

Annual Leases:

- Cascadia Training
- Shoreline Public Schools Foundation
- Shoreline Chamber of Commerce
- State Legislative Offices
- The Norwest School of Horology
- Washington Alliance for Better Schools (WABS)

Multi-Year Leases (all have recapture language):

- Sound Generations (Shoreline-Lake Forest Park Senior Center)
- North Seattle French School
- Crown Cell Tower
- Sprint Cell Tower

Ms. Miller reviewed facility use, which is the shared use of occupied space, and is governed by Board Policy 4330, Use of School Facilities. Facility use accounts for over \$600,000 annually in revenue, primarily due to the rental of fields and gyms. The fee schedule is approved by the Board when the budget is adopted each year and applies to the following:

Fields and School Facilities

- Elementary and secondary fields and gymnasiums
- Shoreline Stadium

Theaters

- Shorecrest
- Shorewood
- Shoreline Stadium

The theaters are now managed as a group by Marc McCartney, which allows for rightsizing for customers. A rental group may think they need a large auditorium when in fact they might be better accommodated in a black box theater. When the Conference Center was closed down several years ago, some of the staff were reassigned to the umbrella of the theaters. The theater rentals has generated enough revenue to cover those salaries. This arrangement has worked out very well.

Ms. Miller encouraged the board members to let her know if they had any further questions on this topic.

Adjournment: 6:20 p.m.

Heather Fralick, Board President

Attest: March 30, 2020

Rebecca L. Miner, Secretary
Shoreline Board of Directors

All documents referenced in the minutes may be viewed in the Superintendent's Office during normal business hours.