

## Staff Report

From Cary Matsuoka

### Current Proposal

The District leased a portion of land underlying the Franklin Elementary School Campus site from the City of Santa Barbara in January 2013. The lease was amended and renewed in April 2016. The leased land is part of the City's Eastside Library property, and is land upon which District has constructed Franklin school classrooms.

City leased a portion of the District's La Cumbre Junior High School property March 1966, for City's construction, use and maintenance of City's Fire Station No. 5. That lease was also amended and renewed in April 2016.

Both the District's Lease and the City's Lease are due to expire on April 30, 2018, and District and City are proposing to exchange the leasehold properties prior to the 2018 expiration date.

Earlier discussions during prior years involving the possible exchange were complicated by the difference in value between the two sites. The appraisals indicated that the value of the Franklin site was substantially more than the La Cumbre site, without considering the fire station improvements.

Under the current proposal, there will be no payment by either party for the difference in land value, and thus the exchange is now viewed as much more favorable. Also, when the Board last considered an exchange of the two sites, it was unclear what our long-term need was for the Franklin property. Following the successful bond measure, there is now have a definite need.

### Background of Title Matters between City and SBUSD

Various title issues between SBUSD and the City of Santa Barbara arose out of the development of SBUSD schools over City streets. As schools were developed, in several cases the streets themselves were abandoned, however legal title to the land underlying the streets was not transferred. For example, between 1921 and 1923, the City enacted three separate ordinances vacating and abandoning multiple surface street areas, including portions of Quarantina, Carrillo, Salsipuedes and Figueroa Streets to the District for the construction of the current Santa Barbara High School campus. While the surface areas of these streets were abandoned, underlying fee title to the streets was inadvertently not quitclaimed by City to the District. For that reason, the City technically still owns certain underlying portions of land on the high school campus; e.g. title to an extension of former Carrillo Street into SBHS still belongs to the City all the way to and under the swimming pool.

Beginning in 2006, following a joint meeting of the Board and City Council, the City undertook a study to identify and evaluate the various overlapping interests at all SBUSD sites. A summary report of the findings was prepared in 2008 and presented publicly to the Board in 2009. A joint Council/Board meeting in 2010 references an “ongoing project” to resolve these overlapping land interests and the parties’ intent to draft a cooperative MOU to clean up all the title issues.

During the intervening years, rather than deal with the totality of issues, a piecemeal approach has been taken, and issues have been resolved only as specific needs have arisen, such as when development is being undertaken.

### SBHS Title Issues

In late 2014, City and District representatives began discussing efforts to have the City formally quitclaim to SBUSD underlying fee ownership of the formerly vacated streets on the Santa Barbara High School campus. These discussions were prompted by planning for the Peabody Stadium renovation project as some of the previously abandoned streets run underneath the current stadium structure and will run underneath the new stadium. Through continued collaborative discussion between the City and SBUSD, the City determined that it would not charge any fee for the estimated fair market value of the land areas to be formally quitclaimed, and City and SBUSD representatives began to process the necessary quitclaim documents. All transfer documents and deeds have been prepared for City quitclaim of additional land areas including the lands underlying the vacated portion of Figueroa Street, along with lands underlying earlier closed portions of Figueroa and Salsipuedes Street, all located within the Peabody Project area. The City will recommend those additional areas be vacated after the Figueroa Street vacation is completed.

### Final Comments

The proposed Franklin/La Cumbre exchange is beneficial for SBUSD because we are acquiring property we need in exchange for a portion of La Cumbre JHS we don’t need. Given the positive cooperation between City and SBUSD in resolving the land use issues, including at SBHS and SBJHS, there is no apparent reason to expect that other long existing title issues coming up in the future will be impaired.

In continuing with a step-by-step, incremental approach to resolving existing land use issues, the City and SBUSD have developed template documents and resolutions relevant to quitclaiming property, allowing for encroachment permits and reservation of easements in appropriate circumstances. The City and SBUSD have fine-tuned processes for allocating appraisal costs when needed, preparing title reports, and working collaboratively to reduce costs to both parties.