



September 10, 2008

Dear Residents of Moorpark Highlands;

In response to inquiries and requests from Pardee home owners with regard to the school site property concerning which the District is in the final stages of acquisition from Pardee, I would like to provide you with information about the present along with the historical context of decisions that have led to where we are today. I appreciate the questions that have been forwarded to me from residents which I have used as a guide for the content of this letter.

**1. What were the enrollment factors that led to the school property acquisition contract in the Highlands?** Enrollment data, summarized in the attached chart, show that the five year period from 2001 to 2005 yielded the highest enrollment range of 7,700 – 7,800 students in the history of Moorpark Unified School District (MUSD.) During this period, housing sales were booming and many new developments were being considered for the Moorpark community. In order to mitigate the student enrollment growth generated by the new development, a School Facilities Agreement was signed in the spring of 2004 which provided for the purchase of the school site in the Highlands Development by Moorpark Unified School District using the funding mechanism of a Community Facilities District (CFD.) The Joint Community Facilities District, of which the City of Moorpark is the lead agency, was formed in the fall of 2005 to fund school site acquisition/developer fees and City projects. Architectural plans for the school were prepared during 2003-04 and shared with staff and community. Funding from the 2002 Measure R school bond was used for development of the architectural design and engineering work on the plans.

However, by 2006, the decline in birthrate in California, which yielded increasingly smaller kindergarten classes, compounded by the housing market slump and economic down-turn began to significantly impact enrollment in MUSD. Revised enrollment projections made it clear that the District's need to construct a school in the Highlands Development was no longer an immediate priority in order to house all students. A major reorganization of school boundaries and a change of grade configurations to K-5 for all elementary schools allowed the District to house all students and re-balance school sizes for the K- 5 and middle school student population.

**2. What are student enrollment projections for the future?** The student enrollment forecast for MUSD, completed by a professional demographic research group, predicts that there will be stable enrollment for the next 8 – 9 years at around the current enrollment of 7,100 – 7,200 students with a slight decline around the year 2017 to a

range of 6,700 to 7, 000. It is unlikely that a new school will be needed in the next 10 years, unless there is a significant increase in the birthrate, local home sales or the student generation factor per household that would precipitate an enrollment boom.

- 3. What happens to the CFD bonds if the District sells the property?** Section 4. of the CFD Agreement states, that if the School Districts “sells the School Site while CFD bonds are outstanding, the School District shall repay to the CFD solely from the proceeds of the sale of the School Site the amount disbursed by the CFD....for acquisition of the site.”

What would happen to any remainder if the sale of the property yielded a greater amount than the purchase price, is legal question that remains unanswered.

If the school site property were sold, what would the land be used for? The answer depends upon the willingness of the City to alter the current zoning of the property.

Also, residents have voiced their concern that if the District were to sell the school site for less than the original purchase price, residents would have to pay for bonds and receive no benefit.

- 4. What are the implications of the School Site purchase on MUSD’s budget situation? If Moorpark Unified School District is making budget cuts, how can the District pay for the annual Landscape Maintenance District (LMD) fee? Is the District trying to purchase the land for revenue producing purposes?** Any new expense to the District is a real concern due to the severe state budget reduction to our local operating income. Since the property does not belong to the District at this time, the LMD cost has not been an actual budget issue. According to City officials, the LMD for the school site has been over \$100,000 during the first two years while the fund develops a surplus. The rate is expected to normalize between \$22,000 - \$30,000 beginning in the next year or so. Developer fees may be a source of funding for the District’s LMD obligation if the property is acquired; which will protect the general operating funds for the instructional program.

The sole purpose of the School Site acquisition was for a future school, not for the creation of revenue for the District. If the purchase of the School Site goes through, it will not be because the District has any intention to try to create revenue with the property. If the property were to be placed up for sale in the current market with the current zoning, it is very likely that the sale price might not exceed the purchase price, as mentioned earlier in this letter.

- 5. Why are there concerns being expressed that the tax exempt status of the CFD bonds might be jeopardized?** While there has been considerable commentary in the press and email correspondence that the District might use the property in such a way that could jeopardize the tax exempt status of the bonds and put the City at risk, the MUSD Board has made no decision about the property, and has not taken any action about the interim or long-term use of the Highlands school site. In fact, the Board is

very concerned about the disparaging nature of the commentary by agency officials and others that implies some wrong intentions or actions on the part of the District when there are no grounds that warrant such comments.

- 6. Why has there been discussion about building a playground on the school site?** As the contractual process for purchase of the school site began to take place with the sale of the CFD bonds, District staff began to consider the logistics for maintenance and interim use of the vacant land. This has been a topic in informal Ad Hoc Committee meetings between City and School Board officials over the course of the 2007-08 school year. Both parties began doing research with respective legal counsels in regards to uses that fit the contractual requirements and committee discussions were initiated about benefits that might be offered to local residents and the public. Because the state of California requires school land to be used for specific uses, the idea of developing the future school playground was aired as a possibility. While Moorpark does have numerous excellent parks, local youth sports organizations that rely heavily on school play fields, are currently having difficulty finding enough field space within the City. To date, there is no finalized decision about an interim use of the property should it be acquired. Legal considerations, especially those associated with the tax exempt status of the CFD, will naturally be the basis for such decisions along with input from the community.
- 7. If a new school is built on the Pardee property, how will it be financed?** There is no identified funding for the construction of a new school at this time. Future possible sources of construction funding could come from state allocations and local general obligation bonds. If the site is purchased, Measure S is a possible source for the interim development of the site, but not for construction of a school.
- 8. Can general obligation bond funds be used to pay for LMD fees, ongoing maintenance of the proposed school site, or to reinstate programs cut in the state budget reduction process?** No, general obligation funds cannot be used for these purposes.
- 9. Did the District provide information to prospective home buyers in regards to the school site?** While not obligated to do so, over two years ago, the District prepared brochures which were distributed to developers and posted a copy on the District website for potential Highlands and Meridian Hills home buyers. One purpose of the brochure was to welcome new residents and their children to the school District...another was to let parents know that the District had sufficient space for students in existing schools and that plans to construct a future school on the Highlands site would not be undertaken until such time as enrollment projections were to exceed the capacity of existing school facilities.
- 10. Has the District received any school fees from the CFD?** As of September 2008, the District has not received any school developer fees from the CFD for the Pardee development, because the City has not disbursed the developer mitigation funds held by the CFD.

- 11. Has the District considered a reappraisal for the school site property?** Yes, however, given the purchase agreement between the District and Pardee, any reappraisal would have to be agreed upon by Pardee. The District is in discussions with Pardee over several issues.
- 12. What are school attendance options for children in the Highlands neighborhood?** As stated in the brochure, students from the Pardee development are assigned to Campus Canyon for grades K – 5, Mesa Verde Middle School for grades 6 – 8, and then Moorpark High School for grades 9 – 12. There are also opportunities to attend two different magnet schools serving K-5, two alternative high schools, and all other schools within the District through the “choice” application process.
- 13. What is the availability of future school sites if the Pardee property is not acquired?** If the Hitch Ranch project is developed, there is the potential for a school site to be identified, which entails a rigorous state approval process and a funding source for acquisition. Representatives of the City of Moorpark have informally offered assistance in finding another site in the future but they cannot guarantee that a suitable funded site can be found.

It is important for Pardee residents to know that the District faces a difficult dilemma. MUSD has a legal contract to purchase the property even though there have been major changes in property values, student demographics and state financial support. The Board is very concerned about the welfare of the community and is considering all viable options for the conclusion of the matter.

Sincerely,

Ellen Smith  
District Superintendent

### MUSD CBEDS Enrollment 1996-2007

