

October 17, 2011

Dear EUSD Families and Friends,

Board of Trustees

Emily R. Andrade
Maureen "Mo" Muir
Carol Skiljan
Gregg Sonken
Marla Strich

Recently, you have probably seen responses to the letter that I sent out regarding our District's position on the Pacific View site. After reading some of these responses, I felt it important to clarify some of the points surrounding this issue.

With regard to a proposal from the Downtown Encinitas Mainstreet Association, an *informal* plan from DEMA to lease the property was received by the District in December, 2010. The claim that the District turned down hundreds of thousands of dollars in guaranteed annual rents from this proposal is simply not true.

Superintendent

Timothy B. Baird, Ed.D.

The District met with representatives from DEMA and responded to their ideas in writing. At no point did DEMA guarantee anything in their letter. Here is what DEMA proposed:

Assistant Superintendents

Daniel Grider, Ed.D.
Administrative Services

David Miyashiro, Ed.D.
Educational Services

Abdollah Saadat
Business Services

1. DEMA would use the existing buildings, which they would fix up with volunteer labor.
2. DEMA would operate a Farmers' Market on the property to generate income.
3. DEMA would lease out the space to artists where they could work and sell art.
4. DEMA speculated that income from an art center could generate \$200,000 per year with \$160,000 toward the lease but they had no capital in hand and many things would have to go right for the District to receive any payment for use of the property.

Here was the District's response:

1. Our insurance carrier has forbidden us from using the existing buildings. We cannot escape our liability on this issue even through a lease or release of liability form. These buildings have asbestos, mold, and significant damage that would need to be repaired. Estimates at cost of repairs run in the millions. We have been told that it is probably cheaper to tear down the buildings than do repairs. Volunteers may not work on the buildings.
2. We currently operate a Farmers' Market at PEC. Although we are not against bringing another Farmers' Market to Encinitas, we believe that placing one this close to our current market would hurt the revenues already being generated at PEC. This is unacceptable since PEC counts on that revenue to pay for intervention programs at their school.
3. The idea of creating artists' space might be acceptable (if the buildings were usable) but selling art from this site (retail) is not allowed under our current zoning. Leasing to artists alone, would not bring in enough income for the District.

4. The District needs a guaranteed income stream. We are by design fiscally conservative and can not speculate on business ventures. The City was asked if they would underwrite this venture and they declined.

DEMA was given this same information so I am somewhat confused why so much misinformation regarding the DEMA idea is still out there. No responsible business would enter into this arrangement when all of the details are considered. The good news is that we have now released a formal Request For Proposals (RFP). DEMA can submit a formal proposal and have it evaluated on the same criteria that we are using for all interested parties.

We also continue to hear about the need to save Pacific View as a historical site. EUSD has demonstrated without question it's respect for the history of the Encinitas community and our commitment to the preservation of the old school house. The District has, since the closing of Pacific View, maintained a position that the historic old school house location on the property would be guaranteed. It has been written into all of our plans and the District continues to stand behind this promise.

We also would be happy to sell or lease this land to the City of Encinitas if they would like to place a park or community building on the site. That is something that falls under the City's jurisdiction not ours. Unfortunately, they have rejected our offer to buy or lease this property on numerous occasions.

In addition to history, we must also look toward the future. Our children deserve the best education that we can provide them with the resources that we have. Despite the loss of millions of dollars in state funding, our District continues to provide high quality educational programs at all nine campuses. This does not come without a cost. Already, we have been forced to layoff teachers and raise class sizes. Income from Pacific View can help mitigate some of this loss. In this equation, we must choose children over boarded up buildings.

Finally, many have asked why the District doesn't use Proposition P bond dollars to cover our budgetary shortfall. Instead of spending money on technology, green initiatives, and facility repairs, why don't we use this money to pay teacher salaries? Unfortunately, we can't. State law prohibits us from using bond dollars for salaries or general fund expenditures.

I hope this answers some of your questions. We continue to try and resolve our differences with the City through discussion even as the legal issue moves forward. Thank you for your interest in this issue and if you have any further questions, please don't hesitate to contact me.

Sincerely,



Timothy B. Baird, Ed.D.
Superintendent