



Coeur d'Alene School District

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SCHOOL BOARD & CITY COUNCIL TO MEET TONIGHT RE: PERSON FIELD

(COEUR D'ALENE) - The Coeur d'Alene School District Board of Trustees and the Coeur d'Alene City Council will hold a joint workshop/ negotiation session tonight, January 10th at 5 p.m. in the Community Room of the Coeur d'Alene Public Library.

The topic is the sale of the School District's portion of Person Field to the City of Coeur d'Alene.

The workshop will be a great opportunity for the public to hear first-hand the complex nature of the Person Field negotiations that cannot be captured by one sentence responses in FAQs or blog posts.

PROCESS BEGAN LAST SPRING

Discussions surrounding the school district's need to sell a number of its real estate assets began almost a year ago, during the spring of 2012 when the school board worked with the district's Long Range Planning Committee to determine what dollar amount to set the August 2012 School Bond levy rate. In late spring 2012, it was decided to run a School Bond to fund improvements to five of the district's most aging schools and for the school board to find other financial means to relocate the district office building that is slated for demolition as part of the Sorensen remodel.

The school district's new Chief Operating Officer, Wendell Wardell, began informal discussions with the city in early summer 2012 of the need to sell real estate including Person Field to pay for a new district office building. In late summer, shortly after the school bond passed, the district informed the city of its intent to sell Person Field. This began a series of meetings in September, October and November of staff and elected officials from both entities. The meetings evolved into a format of smaller negotiation-style teams made up of legal counsel and each organization's chief financial officers.

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This negotiation-style meeting format was proposed by the city and agreed to by the school district with both parties understanding that when a final framework of a deal to sell the school district's portion of Person Field to the city, that the terms of the deal would go to both governing bodies for discussion and action in public meetings.

The district wants to set the record straight on the speculation and rumor surrounding the ownership and value of the approx. 3.76-acre portion of Person Field that the district owns and intends to sell.

OWNERSHIP

1.) The Coeur d'Alene School District owned the entire approx. 7-acre parcel of Person Field for almost 45 years, from 1950 to 1995. Since 1995 the school district has owned a portion of Person Field. (The school district has a copy of the deed dated January 5, 1950 and has shared a copy with the city.)

2.) In 1995, the school district participated in a land exchange with the city and gave ownership of 3.9 acres of Person Field to the City of Coeur d'Alene in exchange for 6.82 acres of land on Ramsey Road that the city owned. (The school district has a copy of the Land Exchange Agreement and has shared a copy with the city.)

VALUE

1.) By State of Idaho Statute 33-601, under real and personal property, when a school district sells a piece of property, the school board:

“Shall have the property appraised”

Appraisal “shall be used to establish value of real property”

This is what the school board did. The school district paid for an appraisal of the district's owned portion of Person Field. The property is zoned R-12 (residential) and the appraisal came in at \$655,000.

2.) The city sent out a media release on Wednesday, January 9 stating they city doesn't “believe the appraisal is fair value” and feels “\$2 a square foot or half of the appraised value is fair value” for Person Field.

The school district is happy to provide any citizen or media outlet with a copy of the 34-page appraisal for review. A thorough read of the entire appraisal is required to understand the land valuation process. The appraiser arrived at an approximate \$4 a square foot valuation as a middle range within the \$5 a square foot to \$3.70 a square foot comparables.

A current market appraisal is the best evidence of value of the district's portion of Person Field.

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The school district did not arbitrarily zone Person Field; the City of Coeur d'Alene has it zoned as R 12. That zone designation could allow for up to 45 multi-family or 16 single-family lots.

The only protection to ensure Person Field remains a park and open space is if the City of Coeur d'Alene owns the property and designates it park land. This is why the school board desires the city to purchase Person Field.

FIDUCIARY RESPONSIBILITY

The city desires the school district to drop the price of its portion of Person Field but the school district cannot artificially deflate the value of an asset.

The school district has a responsibility to a much broader geographical area and larger taxpayer base than just the City of Coeur d'Alene. The school district must represent the interests of taxpayers in five municipalities and Kootenai County.

The school district wants to get out of the parks business but it also must sell the district's real estate assets in a fiscally responsible manner.

The school board has graciously extended the deadline, multiple times, for the city to purchase Person Field so that the city can protect the property as a park in perpetuity.

The school district has been negotiating in good faith to help keep the city in first position to buy the district's ownership in Person Field, a negotiation that is five months along in the process.

IDAHO CODE

In a media release on January 9th, the City of Coeur d'Alene states "yes, according to Idaho Code, the school district can sell the property to the city for little or even no compensation." The city is referencing Idaho Statute 67-2322 under Misc. Provisions: Transfer of Property by Local Government.

The reality is the school district is not a municipality like the City of Coeur d'Alene. In Idaho, school districts are bound by specific education and school district codes in state statute that are more restrictive and govern the school district and the school board's actions.

Idaho Statute 67-2322 starts out by stating, "In addition to all other codes", so the more restrictive school district code 33-601 Education: School Property re: sell or exchange of real property must apply first.

Again, this brings the school district's responsibility to appraise and use an appraisal to establish value of real property back to the reason the \$655,000 is at the center of discussion/ negotiation with the city.

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MORE VALUE

The city is seeking more “value” for its purchase of the district’s portion of Person Field.

To move negotiations forward at tonight’s joint meeting between the school board and the city council, both entities will need to focus the discussion on “value” and how to achieve the goal that both governing bodies share– to keep Person Field a publicly owned green space.

The school board will continue to show the city and the public examples of the value the school district brings to the Coeur d’Alene community:

- School district’s current SRO contract with the city that provides safety benefit beyond schools
- Current joint facilities use agreement with the city that is subsidized by the school district
- City’s use of school district facilities outside of Joint Powers Agreement
- Willingness for our school buses to be used for the city’s Diamond Cup
- Current loaning of property to city for dog park
- Downtown school presence that has assisted with residential and commercial economic revitalization

The school board will share with the city council and the public the “added real value” proposal it shared at Monday night’s school board meeting that equates to an actual hard dollar value of school district expenditures to the City of Coeur d’Alene of \$971,000 through 2017.

It is important to allow the leadership of the two entities time this evening to discuss all the issues and facts surrounding Person field and for the public to listen.

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