

Cubberley Real Estate Transaction Ad Hoc Committee 2024

2024 Ad hoc Committee Members: Council Member Julie Lythcott-Haims (Chair); Council Member Pat Burt; Council Member Lydia Kou

2024 Activities:

As reported out in October, the PAUSD Board in 2023 initiated a discussion inviting the City to make an offer to purchase additional acres at Cubberley. Both parties proceeded by creating Ad Hoc committees. The City's counterparts from the PAUSD Board were Trustees Jennifer DiBrienza (Chair) and Shounak Dharap. The Ad Hoc committees met jointly over the course of 10 months including once with a mediator before agreeing on terms.

Ultimately, the parties reached agreement and on October 7, 2024, the Council approved a memorandum of understanding outlining terms and next steps.

Upon voter approval of a General Obligation Bond to fund acquisition and development of the Cubberley site in November 2026, the City will purchase 7 acres from PAUSD (including the area currently developed with permanent buildings) at the price of \$65.5 million. PAUSD will use sale proceeds for school improvements throughout the district. Prior to going to the voters, the City will develop its plan for a rebuilt and renovated community center and related uses on the site, and PAUSD will develop its school improvement plans.

In the interim, the City and PAUSD will enter into a new five-year lease continuing current use of the property, including the playing fields and parking lots. The City will pay PAUSD \$2 million a year as long as PAUSD uses a portion of the property, and \$2.5 million when PAUSD is no longer using the property. The City will assume responsibility for maintenance and associated costs for areas not used by PAUSD. This was memorialized in a lease amendment approved on December 2, 2024.