



FOR IMMEDIATE RELEASE

Timeline Photo Attached

Cardiff School District Board of Trustees Approves Loan to Close Construction Funding Gap Due to Lawsuit

CARDIFF BY THE SEA (May 19, 2020) – Cardiff School District (“District”) announced today that the Board of Trustees for the Cardiff School District has voted unanimously to authorize securing a \$2.6 million long term, low interest loan to help close a funding gap on the Cardiff School construction project brought on by litigation and related delays. The 25-year loan has a fixed annual interest rate of 3.15% and an annual repayment amount of \$159,000. This loan is necessary due to a financial impact of over \$4 million caused by the threatened and subsequent litigation initiated by a small group of neighbors opposed to the project. The lawsuit created a ripple effect on the project which included substantial legal fees, increased construction and contract costs, and a significant impact on the project scope and timeline. The loan amount only partially helps to replace dollars that the District had set aside to contribute to the project in addition to the \$22 million dollar Measure GG bond passed by 65.9% of Cardiff voters in 2016 to rebuild Cardiff School.

Early in the design phase of the project, the District compromised by making substantial changes to the original design to accommodate neighbors’ input; however, the location of the multipurpose room and the parking lot continued to serve as a sticking point for a few, some of whom expressed early concerns regarding their views being impacted and other concerns regarding reconfiguration of the playfields. Due to student safety and program needs, the District held firm on the location of the multipurpose room at the main entry of the school and next to the improved parking and drop-off area. Despite the extensive changes made to the project by the District, this small group of neighbors still filed a lawsuit against the District alleging environmental concerns and taxpayer waste of bond funds.

Central to the claims the lawsuit made regarding these environmental and bond issues was a \$160,000 Land and Water Conservation Fund grant pursued by the City of Encinitas to make improvements to the District-owned playfields for community use after hours. The grant agreement, co-signed by the City and the District in 1993, created a boundary which contractually required the playfields to be used for outdoor recreation in perpetuity. These neighbors also challenged the District's right to pursue a well-established boundary adjustment process with the Office of Grants and Local Services (OGALS) and the National Park Service (NPS), the agencies that administer the grant program. From the beginning of this process, OGALS had assured the District that no redesign was necessary as there was a defined process allowing for boundary adjustments such as that proposed for the project. As the District had been working closely with OGALS and was adhering to all requirements, only the interference of these neighbors and the subsequent lawsuit caused a delay in this approval process. However, as the District had always promised, the District ultimately obtained all final approvals necessary from both OGALS and recently NPS, to adjust the grant agreement boundary to accommodate the project.

The District incurred substantial costs and delays in legally defending itself and the project, as well as working through all of the administrative challenges pursued by the project opponents in an attempt to stop the project. To date, over \$832,000 has been incurred by the District on legal fees to prepare and defend itself from the lawsuit and the challenges the opponents made to the associated administrative approvals. In addition, a \$500,000 settlement payout was made to the plaintiffs in March 2020 in order to end all ongoing litigation and appeals, recommence construction and avoid further delays and expenses.

Demolition on the site began in June 2019 and building construction began in November 2019. In December 2019 the entire construction project was halted by a judge due to a direct request by the project opponents. The judge's initial ruling did not cite to any portion of the EIR as invalid, and instead appeared to be based on the boundary adjustment not yet being obtained. The District disputed this ruling and had appealed. The District's position was always that the agreement was a contractual issue to be resolved by working through the defined OGALS/NPS boundary adjustment process and not in any way a violation of the law. Construction was completely at a standstill for over three months as the litigation and appeals of these rulings continued until the time of the settlement. Unfortunately, the site also suffered extensive rain damage during that idle time. This delay, damage to the site, and required additions and

alterations to the project resulted in additional construction costs of well over \$2 million. The delay and lawsuit also required contract extensions and additional services for the architect, bond program manager, and other project consultants at a cost of over \$550,000. Grading permits and their subsequent phasing required by the City cost over \$100,000.

Adjusted Project Scope and Timeline to Move Students

The lawsuit also negatively impacted the scope and timeline of the entire project. An additional classroom building will now need to be tabled at this time and the timeline for project completion has been extended by three months. The original plan was to move all K-2 students, including the second graders who have been temporarily housed on the Ada Harris School campus, to the newly completed classrooms for the start of the 2020-21 school year. The construction delay means that the classroom buildings will not be ready in time for their return to campus this fall. Incoming Kindergarteners and first graders now will need to continue to be housed at Cardiff School in outdated portables, and second graders will start the school year on the Ada Harris School campus. Assuming no further delays, new classroom construction is anticipated to be completed in December 2020 and all K-2 students will move into the new classrooms on the Cardiff School campus at that time. The old portable classrooms will then be removed and the rest of the landscaping and site work will be finished for a final completion date in June, 2021.

“We are happy to finally be on the other side of this time-consuming and costly lawsuit, and to see the project moving forward according to the student-focused design that was developed with stakeholder input and finalized over two years ago,” said Jill Vinson, Cardiff School District Superintendent.

Siena Randall, Cardiff School District Board President adds, “We are excited to see the new campus taking shape and to know that when completed, it will meet the needs of students now and in the future.”

For more information on the project, construction updates, and 360-degree construction photos, visit www.cardiffschools.com/measuregg.

April 2020 **Construction Resumes on Entire Site**
 After a 3-month delay due to a lawsuit filed against the district, and upon receiving unconditional approval from the National Park Service, all work on the entire Cardiff School site resumes, inclusive of the auditorium building, outdoor assembly steps and playfields.

June-August 2020 **Summer Work**
 While all other work continues on the site, construction of a safer and more efficient drop-off/pick-up and parking lot area as well as the renovation of two classrooms attached to the administration building occurs.

August 25 2020 **First Day of the 2020-2021 School Year**
 The new drop-off/pick-up and parking lot area is completed and K and 1st grade students return to campus in the old portables while 2nd grade students remain at Ada Harris. Construction continues on the new buildings and entire site.

Early December 2020 **New Buildings Completed**
 Construction of new buildings is completed and staff prepares to move into new classrooms.

Winter Break 2020-21 **Move to New Classrooms**
 All K and 1st grade students are moved from the portables into the new classrooms and 2nd grade students move from Ada Harris into new Cardiff classrooms.

January-June 2021 **Removal of Portables/ Final Site Construction**
 Once the old portables are removed, the remainder of the site work, landscaping and hard-court play area will be completed.

June 2021 **Project Complete**
 A beautiful new Cardiff School campus is ready to welcome future generations of Cardiff students.



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