



Fountain Valley School District

BOARD OF TRUSTEES  
SPECIAL MEETING

A G E N D A

Board Room  
10055 Slater Avenue  
Fountain Valley, CA

November 21, 2019

- CALL TO ORDER: 5:00PM
- ROLL CALL
- APPROVAL OF AGENDA

M \_\_\_\_\_  
 2<sup>nd</sup> \_\_\_\_\_  
 V \_\_\_\_\_

- PUBLIC COMMENTS

*Speakers may address the Board of Trustees on Closed Session Items. Please comply with procedures listed on the goldenrod form "For Persons Wishing to Address the Board of Trustees" and give the form to the Executive Assistant.*

- CLOSED SESSION

The Board of Trustees will retire into Closed Session to address the following:

- Personnel Matters: *Government Code 54957 and 54957.1*  
Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.
- Pupil Personnel: *Education Code 35146*
- Negotiations: *Government Code 54957.6*  
Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.
- Conference with Real Property Negotiator: *Government Code Section 54956.8*

Property:                      Approximately 12.9 acres of District land improved with approximately 40,073 sq. ft. of facilities located at 9790 Finch Avenue, Fountain Valley, California (former Fred Moiola School Site) ("Property").

*Our mission is to promote a foundation for academic excellence, mastery of basic skills, responsible citizenship, and a desire by students to achieve their highest potential through a partnership with home and community.*

Negotiating Parties: Fountain Valley School District, real property negotiators Christine Fullerton, Assistant Superintendent, Business Services and District legal counsel (Seller), and Brookfield Homes Southern California LLC (Buyer).

Under Negotiation: Instruction to negotiators will concern price and terms of payment issues associated with a possible Second Amendment to the Agreement for Purchase and Sale and Joint Escrow Instructions for the proposed sale of the identified Property.

- OPEN SESSION: 5:20PM
- PLEDGE OF ALLEGIANCE

**PUBLIC COMMENTS**

*Members of the community and staff are welcome to address the Board of Trustees on any item listed on the Agenda of Business or any other item of specific concern. Speakers are requested to limit their presentation to four minutes unless the time is waived by a majority of the Board Members present. If a member of the audience requests a response to their comments, the Board of Trustees may ask the Superintendent/Staff to respond to them personally or in writing after the meeting, or direct that additional information be provided to the Board on a future agenda.*

\*\*\* BOARD MEMBERS WHO WISH TO DISCUSS WITH STAFF ANY ITEMS LISTED UNDER LEGISLATIVE SESSION SHOULD INFORM THE BOARD PRESIDENT AT THIS TIME.

**LEGISLATIVE SESSION**

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|---|---|
| <b>1. ACTION TO APPROVE A SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (FORMER FRED MOIOLA SITE)</b> | M _____<br>2 <sup>nd</sup> _____<br>V _____ |
|---|---|

Brookfield Homes Southern California LLC has conducted its Due Diligence review of the approximately 12.9 acre former Fred Moiola School Site Property, and has requested various revisions to the existing Purchase Agreement terms. District Administration’s team has negotiated with Brookfield, and recommends that the Board approve a Second Amendment to the Purchase Agreement which will allow for revisions to the Purchase Price, Deposit, and Closing Date terms. This proposed Second Amendment will allow the District to maintain the Agreement and current escrow with Brookfield.

**Superintendent's Recommendation:** It is recommended that Board of Trustees:

1. Approves the “Second Amendment to Agreement for Purchase and Sale and Joint Escrow Instructions” between the District and Brookfield Homes Southern California LLC.

2. Delegates authority to the Superintendent, or a designee, to execute the Second Amendment, and take any action necessary to effectuate the terms of the Second Amendment.

**SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS**

The Board President will receive any announcements concerning new items of business from board members or the superintendent.

- CLOSED SESSION
- APPROVAL TO ADJOURN

**The annual organizational meeting of the Fountain Valley School District Board of Trustees is on Thursday, December 19, 2019 at 6:30pm.**

*A copy of the Board Meeting agenda is posted on the District's web site ([www.fvsd.us](http://www.fvsd.us)). Materials related to this agenda submitted to the Board of Trustees less than 72 hours prior to the meeting are available for public inspection by contacting the Superintendent's Office at 10055 Slater Avenue, Fountain Valley, CA 92708 or calling 714.843.3255 during normal business hours.*

*Reasonable Accommodation for any Individual with a Disability: Any individual with a disability who requires reasonable accommodation to participate in a board meeting may request assistance by contacting the Superintendent's Office at 10055 Slater Avenue, Fountain Valley, CA 92708 or calling 714.843.3255 or faxing 714.841.0356.*



SO: 2019-20/B20-14  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Mark Johnson, Ed.D., Superintendent  
SUBJECT: **ACTION TO APPROVE A SECOND AMENDMENT TO  
AGREEMENT FOR PURCHASE AND SALE AND JOINT  
ESCROW INSTRUCTIONS (FORMER FRED MOIOLA SITE)**  
DATE: November 20, 2019

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**Background:**

The Board previously approved an Agreement for Purchase and Sale and Joint Escrow Instructions and a First Amendment (collectively, the "Agreement") whereby the District agreed to sell approximately 12.9 acres of real property, located at 9790 Finch Avenue, Fountain Valley, CA 92708, known as the former Fred Moiola School Site ("Property"), to Brookfield Homes Southern California LLC (the "the Buyer"). The Agreement establishes Thirty Six Million Five Hundred Thousand Dollars (\$36,500,000) as the total price the Buyer will pay for the Property if it completes the purchase. The Agreement also grants the Buyer a "Due Diligence Period" to allow the Buyer time to review the Property before completing the purchase of the Property, and a Closing Date by which the Buyer must complete the purchase.

After reviewing the Property during the Due Diligence Period, the Buyer requested various revisions to the Property's purchase price structure. The Buyer and District administration have discussed and modified the requested revisions, and the Buyer now proposes the following revised terms:

1) The minimum Purchase Price of the Property shall be Thirty Three Million Five Hundred Thousand Dollars (\$33,500,000) which will be the Purchase Price paid by the Buyer if it obtains approval for seventy-four (74) or fewer residential units. If the Buyer obtains approval more than seventy-four (74) residential units on the Property, the Buyer shall pay an additional Four Hundred Sixty Thousand Dollars (\$460,000) for such additional unit, up to seventy-nine (79) units. Therefore, the maximum Purchase Price for the Property shall be Thirty Five Million Eight Hundred Thousand Dollars (\$35,800,000) if the Buyer's proposed project is approved to allow for the development of seventy nine (79) or more Units.

2) Pursuant to First Amendment of the Agreement, the Due Diligence Period is scheduled to end on December 2, 2019. The Agreement also establishes a Closing Date by which the Buyer must complete the Purchase of the Property, which is scheduled to occur either 1) eighteen (18) months after the expiration of the extended Due Diligence Period or 2) ten (10) business days after approval of the tentative track map and expiration of all appeal and review periods, whichever happens first. The Buyer requests a possible extension of this Closing Date of up to two (2) additional years (“Closing Date Extension”) in the event the Buyer’s tentative track map or environmental approvals are subjected to legal challenge. In order to exercise this Closing Date Extension, the Buyer shall make an additional non-refundable deposit of Two Million Dollars (\$2,000,000) at the end of the original Closing Date, and the Buyer shall provide notice to the District documenting the specific legal challenge and provide periodic updates to the District regarding the Buyer’s efforts to address the legal challenge.

This proposed Second Amendment, therefore, will allow the District to maintain the Agreement and current escrow with the Buyer for the proposed sale of the Property, on the terms summarized above.

**Recommendation:**

- 1) Approve the “Second Amendment to Agreement for Purchase and Sale and Joint Escrow Instructions” between the District and Brookfield Homes Southern California LLC.
- 2) Delegate authority to the Superintendent, or a designee, to execute the Second Amendment, and take any action necessary to effectuate the terms of the Second Amendment.