

Document uncovers details about 1978 Pier Avenue School sale

The Beach Reporter

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A newly revealed Memo of Understanding associated with the 1978 sale of the Pier Avenue School, from the Hermosa Beach City School District to the city of Hermosa Beach, outlines opportunities for district use and opens the door for increased communication between the city and the district about how the space could be used.

Currently named the Hermosa Beach Community Center, the building that stands at the corner of Pacific Coast Highway and Pier Avenue was originally a school built by the district. In the 1970s, around the time the district sold the building to the city, the school held approximately 400 students.

However, with waning enrollment district-wide, the school board and superintendent elected to sell off several properties in the 1970s and 80s. The city purchased the Pier Avenue School and surrounding lots with agreements that would guarantee more open space and recreational facilities. In exchange, the district agreed to a discounted price and negotiated classroom space in case of enrollment spikes.

During the sale of the Pier Avenue School, lawyer Gerald Hilby signed off on the agreement, which netted the district \$650,000 rather than the \$1 million plus the building was appraised at, due to the guarantee the city would use it for park or recreational purposes or open space, and opportunities for the district to lease back the property, according to a letter filed with the escrow.

According to the MOU, “the district shall be entitled to the use of one classroom per 28 students enrolled beyond 1,266 pupils” as well as “certain office and storage space.”

Neither current Superintendent Pat Escalante nor current City Manager Tom Bakaly knew about the MOU until last month, when Facilities Planning Advisory Committee member Kat Bacallao started to dig into the county records department.

As Bacallao was considering North School options alongside the other FPAC members, she heard several of her neighbors and friends ask why the school wanted to rebuild or renovate North School instead of asking permission to use the Community Center. Although she heard verbal negations from both the district and the city, references that it was “not available” or was “not up to code,” she hadn’t seen anything on paper that she could show residents as proof.

“As a Facilities Planning (Advisory) Committee member, I felt a tremendous responsibility to do my homework,” Bacallao said. “I take a lot of pride and integrity in being asked to be a member of a committee, and I felt like it was my complete obligation to know everything and to be able to respond to the community when the community asks questions.”

So, she gathered documents about all of the district’s properties, both maintained and sold. She still has to complete her review of several sites, but she has gathered everything from county records surrounding Pier Avenue. Fellow FPAC members have assisted her with phone calls and online research.

The Pier Avenue escrow records included a lease agreement, which both the district and the city were cognizant of, but it also included the previously unknown MOU. According to the lease agreement, the school district had the right to rent some of the facilities back from the city for a period of 50 years, but the extent of the rental agreement was unclear. The document referenced the auditorium, gym and tennis courts, but details about classroom space were unclear.

There are discrepancies between the two documents – the MOU appears to list an indefinite agreement while the lease agreement specifies 50 years. The MOU calls for 10 years of free use by the district, followed by a “reasonable rental fee,” while the lease agreement indicates the district would only be responsible for maintenance, utilities and custodial service costs.

The lease agreement states, “the consideration for the city’s permitting the district to use the premises rent free is that the district is selling the premises to the city for less than fair market value.”

While timeline and rental fees may be nebulous, what is clear from the two documents is that the district has at least 15 years left on an agreement with the city to use the space at the Community Center, and classrooms were always on the table.

“This is an opportunity for us to come together as a city to help solve each others’ problems,” Bacallao said. “We all need to know the facts. Everyone needs to be well-educated about the history of the school district, the history of the city, and how we can empower each other.”

Bakaly said that he and Escalante will continue to talk about opportunities for the city and school district to work together.

“We’re waiting to see what the school district would like to do, and we’re happy to sit down and discuss issues with the school district and find out what makes the most sense for children and the community,” Bakaly said.

Although he does not necessarily see traditional classrooms as a viable option, Bakaly is interested in opportunities to partner, including the possibility of multi-purpose rooms that could be used in both child and adult education.

“Maybe there are some joint programs ... for me, it’s more programmatic, like the theater or culinary or some other program that we can look at and share,” Bakaly said.

Escalante presented the MOU to the school board at the Nov. 13 meeting in her a superintendent's report. She thanked Bacallao and Historical Society member Chris Miller for their work uncovering the documents, and said that she looked forward to investigating the agreement and future partnership opportunities.

“It’s an exciting time where we have an opportunity to work together to build something that we can use in a joint way,” Escalante said. “Can we have enrichment tracks over there for students during the day and adults at night? Can we have a culinary track for kids where they’re using mathematics? What are some of the ways that we can think about making something really special that identifies who we are?”

The school board unanimously asked Escalante to return on Dec. 11 with a full board discussion on the Pier Avenue escrow documents. They welcome community ideas and input on how the district may be able to work with the city moving forward.

If there is significant interest in utilizing the facility, it may be possible to negotiate adding the site to the contract with gkkworks, the architecture firm hired to lead a discussion about long-range facilities planning and opportunities at the North School site.

All of the Pier Avenue escrow and related documents will be uploaded to hbcasd.org for public viewing.