

# SCHOOL SITE PRICE DISPUTED - STATE, CITY STILL MILLIONS APART ON DEAL FOR PART OF THE AGNEWS CENTER

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SAN JOSE -- With more than 1,000 schoolchildren expected to surge into San Jose's booming northern fringe within five years, school officials have been scrambling for a place to teach them. And they think they've found the perfect -- and only -- spot: part of the unused **Agnews** Developmental Center.

But officials with the Santa Clara Unified School District, which covers the area, and the state are bickering over the price for the site, where the district wants to build a K-8 school as well as a high school.

It could accommodate enrollment growth from the area north of Highway 101 and Interstate 880, and south of Highway 237.

The two sides face an Aug. 14 deadline to cut a deal; after that the state can sell to a private buyer.

But the sides are millions of dollars apart on a price, according to school district officials. The district, which has been eyeing the property for years, has completed environmental assessments and commissioned an appraisal. Santa Clara Unified is unwilling to bid much over \$51.3 million, which is what its most recent appraisal estimated the site was worth, while the state first sought \$64.8 million and then raised its estimate of the site's value to \$72 million.

The state Department of General Services refused several requests to comment. "We are in negotiations with the district (about) terms of the sale and therefore will not comment on any aspect of the negotiations at this time," spokesman Michael Liang wrote in an email.

"We don't have \$72 million," said Jim Luyau, Santa Clara assistant superintendent.

Nor does the district have a way to easily house additional students. The district's nearest school, the K-8 Don Callejon, is so crowded the school board shrank its attendance area in 2010, sending some students across Montague Expressway and creating a huge outcry.

Santa Clara Unified serves students in portions of Sunnyvale, Santa Clara and San Jose. But most of the schools are in the central part of the district, far from the area of new development.

"We've researched to the nth degree," Superintendent Bobbie Plough said. "That is the only piece of land in the north end of the district that is appropriate for a school."

In the next five years, Santa Clara Unified expects 6,000 homes to be built in the North San Jose area. And after 2017, school officials say, 10,000 more units could be built in their jurisdiction. The school district, anxious about how to accommodate the children generated by new housing, last year sought a \$6,500 tax on construction of each new housing unit. Opposed by developers and San Jose city leaders, the tax failed by a wide margin. But several developers agreed to pay \$5,000 per unit for schools, even without the tax's passage.

"Parents are concerned about overcrowding," said Kathy Watanabe, a North San Jose parent. "There is so much new growth that it is bringing a boom to the area that isn't going to go away anytime soon."

Besides the dispute over appraisals, the state and school district are at odds over a legal provision that allows the state to reduce its sales price for land to be used as parks. The school district is working with San Jose to either dedicate a portion of the land as a park, or to share facilities for park and recreational use, San Jose Mayor Chuck Reed said.

"We've had an interest in a park on that site for several years," he said.

But the state has informed the school district that the current joint-use negotiations don't qualify the district for a reduced price, Plough said. "It's the most frustrating issue right now."

Locating a school in the North San Jose area is critical for the district, for new residents and also for home values, Luyau said -- especially if children living there have to be driven to schools across Highway 101.

Despite the disagreements over taxes, Reed said, "I'm in 100 percent agreement that we need a school there."