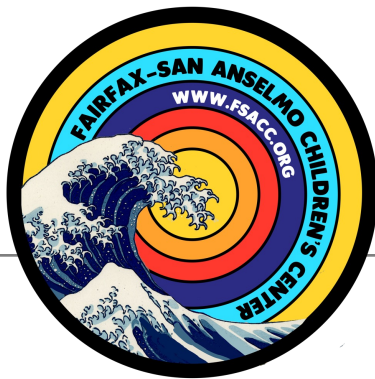


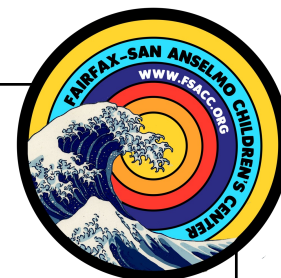


Fairfax San Anselmo Children's Center Update on Purchase Proposal

Presented by:
Julia Howard-Gibbon, FSACC Board Chair
January 18, 2024



Overview



Background

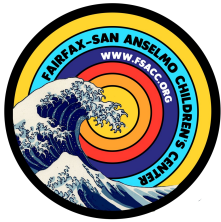
MCOE Task Force Findings

Review of Purchase Offer

Facility Upgrades

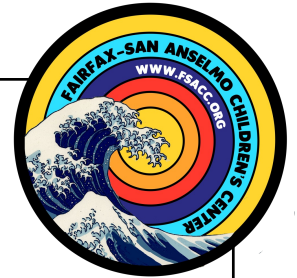
FSACC Leadership Capacity

Summary



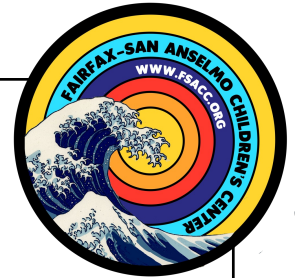
Background: Negotiating a Solution

- Deer Park Working Group identified three potential pathways to explore by August 2023
 - 1) FSACC to purchase property from RVSD
 - 2) Other entity to purchase property and lease to FSACC
 - 3) FSACC to relocate to another site
- In March 2023, MCOE initiated effort to potentially purchase; FSACC continued to pursuing #1 and #3 to the extent possible



Revisit of Other Pathways

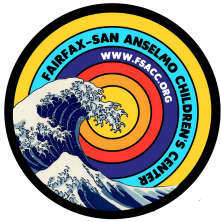
- August 2023 – Upon MCOE announcement it would not purchase the Deer Park property due to cost of upgrades required to comply with Field Act, FSACC requested a short lease extension in order to determine a pathway to continue operations (relocation or purchase)
- August 2023 through January 2024 – FSACC did extensive due diligence to determine a viable solution:
 - Participated in 4 month discovery effort to identify an alternative site led by MCOE & County
 - Hired consultant to project manage workstreams related to purchasing and upgrading the property
 - Contracted with an architect, structural engineer, and contractor – all with childcare center code requirements and expertise to evaluate the safety of the property and necessary upgrades
 - Sourced funds to purchase the property through public and private funders



MCOE Task Force: Summary Findings

- The MCOE task force was established to engage stakeholder partners in a collaborative effort to find a solution to protect and maintain the valuable state funded childcare seats provided by FSACC. The task force recognized the need to ensure continuity of these critical services to low-income families. Task force:
 - Met 2 x per month over the course of 4 months.
 - Offered careful consideration to over 25 locations throughout the County with a focus in Ross Valley and Central Marin including public and private schools, summer camps, community-based organizations, churches, municipalities.
 - Engaged and provided specs to a commercial real estate broker for recommendations

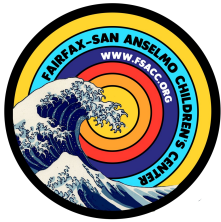
Conclusion: No alternative location for lease or purchase was identified.



Proposed Purchase & Sale Agreement ("PSA")

November 2023 – FSACC delivered offer to RVSD based on the terms initially negotiated with RVSD via Deer Park Working Group, including:

- Purchase price of \$1,561,500
- Nonrefundable deposit of \$156,150
- Land and structures sold “as is”
- Reversionary Provisions:
 - ❖ Restricts property for sole use as childcare center
 - ❖ Option for RVSD to repurchase property from FSACC if necessary to be used as a school after 17 years



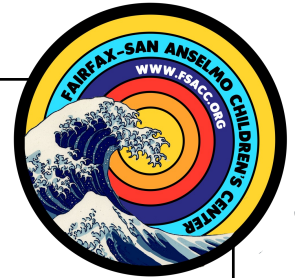
Methodology for Purchase Price

The Offer amount was determined by a discount formula established by the Deer Park Working Group. It is predicated on the % of FSACC school-aged students who are entering or currently enrolled at a RVSD school.

The 5 year average (for school years 2017-2022) of the % FSACC students attending a RVSD school: 47.95%

Discount formula: $\$3\text{M (Appraised value)} \times .4795$
(crossover %) = $\$1,438,500$

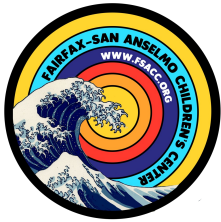
Offer: $\$1.561\text{M} = \$3\text{M (Appraisal)} - \1.438M
(Discount)



Purchase Capacity

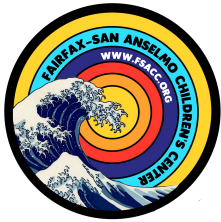
- FSACC currently has access to sufficient funds to purchase the property at the offered price.
- Purchase offer not contingent on availability of financing
- 10% non-refundable deposit

Source	Amount
MCF Grant	\$750,000
Marin County	\$250,000
Fundraised (events and individual donations)	\$62,000
FSACC Reserves	\$100,000
MCF Loan	\$400,000
TOTAL	\$1,562,000



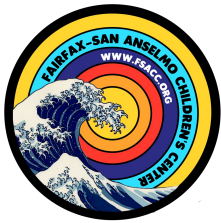
Current and Potential Funding for Upgrades

- FSACC reserves – \$400,000
- Marin Community Foundation loan – \$100,000
- Marin County - \$250,000
- US Bank letter of intent for (loan) - \$2,000,000
- Town of Fairfax –\$25,000 proposed grant on 2/7 council agenda, pending approval
- Town of San Anselmo – TBD
- First 5 Marin – pledge amount TBD
- CDBG grant funds – potential for up to \$40,000
- Capital campaign –fundraising from public & private funders



*Enhanced
Leadership
and
Operational
Capacity*

- FSACC has contracted with:
 - Non-profit consultant – Stephanie Hellman
 - Facilities Management – Sean Lowery
 - Architect – Studio Bondy Architecture
 - Structural Engineer – Harrell Kane Structural Engineers, Inc.
 - Construction – Meylan Construction
- Board expanded by 50%, increasing skills set
- Capital campaign expert engaged



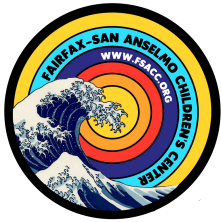
*Safety is
Paramount*

- **The building today is not unsafe**
 - Experts advise upgrades are voluntary
 - FSACC is currently in compliance with:
 - ❖ California HHS Childcare Licensing
 - ❖ Fairfax Building Code
 - ❖ Local RVFD Fire Code (inspection 12/23)
- **The Center intends to modernize the facility to:**
 - Address deferred maintenance
 - Ensure future safety
 - Invest in long term sustainability



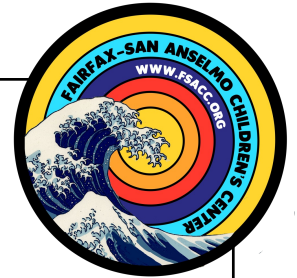
*Town of
Fairfax
Planning and
Building
Department*

- December 2023 – Building Official, Mark Lockaby, from the Town of Fairfax inspected the property with architects and found:
 - Any upgrades to mechanical, electrical, and plumbing systems are “voluntary”.
 - Seismic or other upgrades trigger compliance with other codes including ADA.
 - Upgrades can be done in Phases. This will allow the FSACC to operate during construction without relocation or use of portables.



Facility Upgrades

- Since September, FSACC has had over 15 site visits by their architects, engineers and construction partners to determine a project plan for seismic and recommended improvements to modernize the facility. Fire safety work and accessibility prioritized.
 - Project is structured in 2 Phases allowing continued operations without relocation or use of temporary buildings (portables).
 - Phase 1 (A & B) prioritizes complete redesign of parking lot – repaving and improved fire access, ADA, Bathrooms and Lower Wing upgrades. Est cost: \$3M
 - Phase 2 is Upper Wing and Multi-purpose room. Est cost: \$3-5M



Estimated Cost of Upgrades – Phase 1

☉ Phase 1A: Est. \$1 million

- Parking lot ; pre-infrastructure built in
- ADA ramp from lower wing
- Retaining wall
- Best in class Fire Alarm system
- Lower wing building:
 - ❖ Roof, sheering, gutters
 - ❖ Bathrooms
 - ❖ Doors, double pane windows
 - ❖ HVAC replacement
 - ❖ Necessary Abatement
 - ❖ Insulation, sheetrock, paint, flooring
 - ❖ Wiring/electrical & lighting

☉ Phase 1B: Est. \$2 million

- Reconfiguration of boiler room
- Reconfiguration of boys & girls bathrooms
- Reconfiguration of electrical system
- Office admin building:
 - ❖ Roof, sheering, gutters
 - ❖ Doors, double pane windows
 - ❖ HVAC replacement
 - ❖ Necessary Abatement
 - ❖ Insulation, sheetrock, paint, flooring
 - ❖ Wiring/electrical & lighting

Estimated Cost of Upgrades – Phase 2

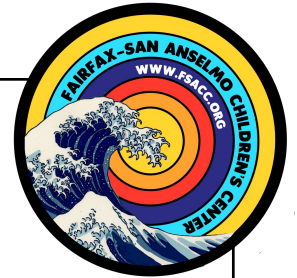


☉ Phase 2: Est. \$3-5 million

- Upper wing building and multipurpose room:
 - ❖ Roof, sheering, gutters
 - ❖ Bathrooms
 - ❖ Doors, double pane windows
 - ❖ HVAC replacement
 - ❖ Necessary Abatement
 - ❖ Insulation, sheetrock, paint, flooring
 - ❖ Wiring/electrical & lighting



Summary



- FSACC is grateful to the RVSD for all the work put into this process and look forward to further discussions on achieving a solution
- FSACC has the financial and leadership capacity to purchase, maintain, and upgrade the property
- Absent a lease extension or sale, the FSACC will be forced to cease operations as there are no viable alternative sites for relocation