



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

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SMMUSD School Board Approves Purchase of Fourth Street Building on District Land

The Santa Monica-Malibu Unified School District Board of Education approved the purchase of the office building at 1717 4th Street at its October 15, 2020 meeting. The building is situated on district-owned land located between Santa Monica High School and the DoubleTree Hotel. The DoubleTree, which is also situated on district-owned land, has a long-term lease with the district that provides additional general fund revenues.



The building will soon become the district headquarters. The 31,000 square foot building, which includes two levels of underground parking, would enable the consolidation of district support operations, while providing better access, accessibility, proximity to transportation hubs, and parking for visitors and employees. The school board and district administrative leadership agree that this purchase provides a unique, one-time opportunity that offers significant benefits to the district and community.

The purchase will facilitate increased collaboration and efficiencies for all district operations and will save district revenues currently being used to lease additional office space. Once the district moves to its new headquarters on 4th Street, the current 16th Street office building will be leased out as commercial space. Financial projections, modeled at the most conservative estimates, indicate that the debt service on the new headquarters will be covered by lease revenue from the former headquarters space and backed up by redevelopment agency (RDA) facility pass-through funds, which can only be used for capital facility improvements. While financial benefits in this transaction are projected, the primary reason for the purchase is to improve educational operations.

General fund monies will not be used to purchase the new headquarters. The \$21 million purchase will be financed through certificates of participation bonds and backed by restricted redevelopment funds. There will be no new bond or tax impact on residents as a result of this purchase, and the district will be taking advantage of the opportunity to borrow money at the lowest interest rates in history.

“This opportunity provides students, the district and community with many benefits, and would bring the district office back to the civic center area, adjacent to our high school with the highest population of students in the entire district,” Superintendent Dr. Ben Drati said.

During the board meeting, district staff presented the details of the purchase, benefits, cost analysis and timeline for occupancy. The school board voted six to one to approve the purchase of the building. The presentation is posted in the board agenda and available [here](#).

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