

Del Mar officials and private school hashing out future lease

BY MICHAEL J. WILLIAMS

For the last 11 years, The Winston School has not had to make an annual lease payment for its use of a 1.8-acre section of Del Mar's Shores Park.

That's because the nonprofit private institution contributed \$3 million to a campaign that raised about \$7 million in the mid-2000s.

The donations enabled the city in 2008 to purchase the 5.3-acre park and school property at Camino Del Mar and Ninth Street for \$8.5 million from the Del Mar Union School District.

"Joe Sullivan and I and that (fundraising) committee really worked hard together and we would have not been able to do it without Winston School," said Laura DeMarco, a leader in the campaign. "They were the largest single donor."

In return for Winston's largesse, the city agreed to credit the school's contribution toward annual lease payments for the campus property at a rate of about \$197,000 per year until July 1, 2023.

Since late last year, city officials and school representatives have been negotiating a new lease agreement beginning in mid-2023 and lasting decades into the future. The parties, however, remain at odds over the terms.

City Council members are expected to discuss the issue Aug. 5 in a session closed to the public because it involves a property negotiation.

"We have an existing lease and then discussion is continuing with Winston about their request to make modifications to the lease," Del Mar City Councilmember Dwight Worden said, adding that he could not further comment on the negotiations.

State law exempts property negotiations from the requirement that elected boards must conduct their business openly in public.

Winston CEO and Head of School Dena Harris said she and Winston's board need a decision as soon as possible to present a plan for the campus' renovation for review under the city's Citizens Participation Program.

Winston representatives contend the city's demand of \$267,000 per year, plus annual increases offsetting inflation, is unaffordable for the campus serving from 120 to 150 students with learning differences.

"We're a tiny school that serves special ed students," Harris said. "I don't think Del Mar wants me to build a school three times the size of what it is now to pay the lease."

The community doesn't want that."

Initially, Winston sought a lease in which it would pay a nominal fee in exchange for offering the community the use of features such as parking, an auditorium, classrooms and basketball courts. Those are among the items included in plans for an upcoming campus renovation.

The city spurned that offer in a December letter signed by Deputy Mayor Ellie Haviland.

"We are simply not in a position to accept your proposal as submitted, as it would result in a significant transfer of value from the City to Winston constituting a gift of public funds," Haviland wrote. "Moreover, the Del Mar community has many significant priority projects which require financial resources."

The school countered in July with an offer to pay \$147,000 annually.

The city's position has alarmed some park and school supporters concerned about the future of the property and the school's survival there.

Of particular concern was an offer in Haviland's letter that the city would give Winston a discount if it built affordable housing on the site. Del Mar is under pressure from the state to comply with a mandate to supply more affordable housing, including units available to lower income households.

Putting housing there would violate 2007 council resolution as well as a deed restriction, critics say.

"I have no intention of building affordable housing," Harris said. "People have asked repeatedly if we wanted to include affordable housing. We're not interested in doing that."

Worden, however, said the affordable housing offer only applies to school employees and is an allowable use on the property.

"What isn't allowed is getting rid of the school and putting up apartments, but there could be some limited housing for school people," he said. "That was just one of several suggestions."

The property, which offers sweeping ocean views, is the only one in the city that encompasses ball fields and a standalone school campus, DeMarco said.

"I was directly solicited by the city to make the two nonrefundable escrow deposits (of the donations) and I made those with the understanding that the city would honor the resolution passed in 2007 that The Winston School, as one of the oldest nonprofits in Del Mar, would continue to have a home there, and that we could create a jewel in Del Mar," she said. "That jewel would be open recreational space that generations to come would enjoy."

“It’s the most amazing piece of land because it’s the most strategically located and accessible piece of land in the heart of Del Mar.”

In her letter, Haviland said city officials understand the importance of Winston.

“Recognizing The Winston School’s noble mission and its role in the Del Mar community, the City Council would very much like to find revised lease terms that are acceptable to both Winston and the City,” she stated.

Harris said she is confident a satisfactory deal is possible.

“I do think that if people work together we can work it out,” she said.