



May 19, 2026

TO: Parks and Recreation Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: **Agenda Item 4 – 05/19/2026 PRAC Meeting**
Sunnyside School Status Updates including Timelines,
Conceptual Cashflow and Preliminary Implementation Plan

DESCRIPTION

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With the June 2, 2026 election approaching, staff has compiled preliminary information intended to assist the District in planning for implementation should Measure B-26 be approved by voters. This report provides:

- Preliminary acquisition and possession timelines
- Estimated Measure B-26 revenues and operational assumptions
- Preliminary operational and maintenance considerations
- Existing tenant and lease considerations
- Organizational and staffing considerations
- Potential outside funding opportunities
- Initial site master planning considerations

The information presented in this report is preliminary in nature and intended for planning purposes only. Several operational, financial, and organizational assumptions remain subject to further evaluation, agreement finalization, Board direction, and the outcome of the June 2, 2026 election.

STAFF RECOMMENDATION

Receive the report and provide input regarding implementation considerations, planning priorities, and future community engagement efforts associated with the Sunnyside School property should Measure B-26 be approved by voters.

DISCUSSION

Should Measure B-26 be approved by voters, the District would begin implementation efforts associated with the proposed acquisition and operation of the Sunnyside School property. Staff and the Parks and Recreation Advisory Committee Chair have developed preliminary planning assumptions to assist the Committee and community in understanding potential next steps related to acquisition, operations, maintenance, and long-term planning for the property.

The information presented below is intended to provide a conceptual framework for future implementation and budget development activities associated with a proposed Fund 900 (Parks and Recreation) budget.

Possession Timeline/Cashflow – Post Measure B-26 (Measure)

If Measure B-26 is approved by voters on June 2, 2026, the draft Lease Agreement and draft Option to Purchase Agreement between the Los Osos

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Community Services District (District) and the San Luis Coastal Unified School District (SLCUSD) would still require final negotiation, review, and approval by both governing boards.

Based on current preliminary assumptions, the District could potentially take possession of the Sunnyside property on January 1, 2027.

Preliminary Timeline

Milestone	Estimated Date
Measure B-26 Election	June 2, 2026
Potential Agreement Finalization	Summer 2026
Potential Possession Date	January 1, 2027
Estimated Initial Revenue Receipt	January–April 2027
First Annual Lease Payment Due	July 1, 2027

The annual payment to SLCUSD is currently estimated to range between approximately \$430,000 and \$440,000 per year during the 15-year lease term contemplated in the draft agreement.

Following the initial payment due in July 2027, subsequent payments are anticipated to be due annually on January 1, subject to final agreement terms and establishment of adequate annual cash flow.

PRELIMINARY FINANCIAL OVERVIEW

Measure B-26 Revenue Assumptions

Under Measure B-26, the proposed annual special tax would total \$185 per parcel per year. The revenue structure identified in the measure separates funding into two categories:

- **Acquisition Funding:** \$85 per parcel per year
- **Operations and Maintenance (O&M):** \$100 per parcel per year

The O&M component would increase annually based on the Consumer Price Index (CPI), as specified in the measure.

Any acquisition-related revenue remaining after annual lease payments and acquisition-related expenses would potentially be applied toward reducing the outstanding acquisition obligation.

Potential acquisition-related expenses may include:

- District administrative oversight
- Legal and professional services
- Property inspections and due diligence
- Agreement administration
- Financial management and reporting
- Other acquisition-related implementation costs

Preliminary Acquisition Revenue Summary

Item	Estimated Annual Amount
Acquisition Revenue (\$85 per parcel)	Estimated/TBD

Annual Lease Payment	(\$430,000–\$440,000)
Administrative & Professional Costs	TBD
Remaining Balance Applied to Acquisition Obligation	TBD

Other Internal Revenue Opportunities

In addition to potential revenue from Measure B-26, the District can allocate funds from the Zone A property tax and from the Fund 900 reserves and unallocated cash.

Operations and Maintenance (O&M) Assumptions

Operation and maintenance costs were estimated based on actual Sunnyside utility bills, preliminary insurance estimates, and industry standards for building and landscape maintenance.

Staff notes that utility costs, particularly water costs, have increased since initial estimates were prepared and actual operating expenses may ultimately exceed current projections. In addition, insurance estimates originally prepared in early 2025 are currently being updated.

The current estimate also assumes continued lease revenue associated with the Waldorf School tenant.

The \$100 per parcel O&M component is estimated to generate approximately \$602,300 annually. Combined with anticipated lease revenue from the Waldorf School, current preliminary estimates indicate approximately \$151,300 may remain available for:

- Property and facilities management
- Unanticipated operating cost increases
- Minor capital maintenance needs
- Development of limited reserve funding for future capital improvement projects

Preliminary O&M Summary

Item	Estimated Annual Amount
O&M Revenue (\$100 per parcel)	Approximately \$602,000
Waldorf School Lease Revenue	\$175,000
Utilities/Operations	Approximately \$150,000
Insurance	Estimated at \$70,000
Janitorial & Landscape Maintenance	Approximately \$406,000
Estimated Remaining Balance	Approximately \$151,300
Cash reserves for capital improvement projects	TBD

The preliminary financial assumptions presented in this report are intended for planning purposes only and remain subject to refinement. Actual operating costs, insurance premiums, utility expenses, staffing requirements, and lease revenues may differ from current estimates.

EXISTING TENANT AND LEASE CONSIDERATIONS

The San Luis Coastal Unified School District currently maintains a year-to-year lease agreement with the Waldorf School. The existing lease is scheduled to run through July 1, 2026.

The District previously entered into a non-binding Memorandum of Understanding (MOU) with the Waldorf School acknowledging the School's interest in remaining at the site and expressing the District's intent to work collaboratively and in good faith regarding future occupancy considerations should acquisition occur.

The current lease structure primarily recovers utility costs and certain general maintenance expenses. If the District acquires the property, a future lease agreement with the Waldorf School would likely be negotiated as a multi-year agreement to provide increased operational stability and long-term planning certainty for both parties.

The District has also discussed the potential relocation of District administrative offices to the Sunnyside property. Since Measure B-26 revenues would be accounted for within restricted Fund 900 activities, other District enterprise and governmental funds would need to contribute proportionally toward shared facility and operational costs in a manner similar to the District's current cost allocation structure.

In the future, the property may also provide opportunities for additional lease revenue through:

- Community-serving organizations
- Recreational programming
- Public events
- Meeting and gathering space rentals
- Partnerships with non-profit organizations

The property contains a substantial amount of potentially usable square footage that may support future community services and activities while generating supplemental operational revenue.

ORGANIZATIONAL AND STAFFING CONSIDERATIONS

Several operational and organizational considerations remain under development and would require further evaluation should Measure B-26 be approved by voters.

To support administration of Fund 900 and the expanded operational responsibilities associated with the Sunnyside property, the Board has tentatively discussed restructuring the existing Utility Systems Manager position into an Assistant General Manager position beginning in Fiscal Year 2026-27.

This proposed organizational adjustment would assist the District in administering:

- Fund 900 budget oversight
- Property management responsibilities
- Contract administration
- Community coordination activities
- Parks and recreation-related operational functions

It is currently anticipated that routine operations and oversight activities would primarily be performed by existing District staff; while building and grounds maintenance functions would likely be accomplished through contracted service providers such as:

- Janitorial services
- Landscape maintenance contractors
- Specialized maintenance providers
- Security and facility support services

Attached to this report are the preliminary assumptions used to develop maintenance cost estimates and a conceptual Fund 900 budget outline.

Potential Outside Funding Sources

The Sunnyside Park Citizens Coalition developed Measure B-26 with the understanding that the proposed revenue structure would primarily support acquisition costs and baseline operations and maintenance activities.

Long-term development of community amenities, recreational improvements, and expanded programming opportunities would likely require supplemental funding sources.

Potential supplemental funding opportunities may include:

- State grant programs
- Federal funding opportunities
- Private foundation grants
- Community partnerships
- Donations and sponsorships
- Collaborative projects with community-based non-profit organizations

Partnerships with organizations such as Parks for Los Osos and other community groups may help support future amenities, recreational improvements, and public programming opportunities.

Site Master Planning

A future Sunnyside Park master planning process would be an important step in identifying long-term community priorities and potential site uses.

In early 2025, the District retained Wallace Group to prepare preliminary conceptual master planning alternatives intended to assist the community in visualizing potential future opportunities for the approximately 12-acre property.

These preliminary conceptual alternatives could serve as a starting point for a broader public engagement which could include:

- public workshops,
- stakeholder meetings,
- online surveys,
- conceptual alternatives,
- phased development planning.

Summary

This report is intended to provide the Committee with a preliminary overview of the operational, financial, and organizational considerations associated with potential acquisition of the Sunnyside property. Should Measure B-26 be approved by voters, additional analysis, formal agreements, budget development, and community planning efforts would be required prior to full implementation.

ATTACHMENTS

- Preliminary Fund 900 Budget Outline
- Maintenance Cost Assumptions
- Wallace Group Concept Plan – Option A
- Wallace Group Concept Plan – Option B

900 - PARKS & RECREATION

REVENUE

Property Taxes

4034	Zone A Property Tax Revenue
xxxx	Property Tax Zone

Other Revenues

4655	Donations
4930	Other Revenue

Use of Money & Property

4510	Investment Income on funds
4511	Unrealized Change in Value

EXPENDITURES

Services & Supplies

Contract Services

6110	IT Purchased Services
7202	Building Alarms & Security
7321	Janitorial Cleaning & Supplies
6801	Grounds Maintenance

Ins., Lic. & Regulatory Fees

6345	Property Taxes & Assess. Costs
7325	Insurance

Legal & Professional

7320	Professional & Consulting Services
7326	Legal Services

Office/Operations

7140	General Supplies & Minor Equipment
7160	Postage, Shipping & Mail Supplies

Other Expense

7330	Misc Operating Expenses
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Rent & Utilities

6025	Telephone
8610	Electric
8620	Gas Service
8630	Trash Services
8640	Water and Water Services
8670	Street Lighting

900 - PARKS & RECREATION

Repairs & Maintenance

6405	R & M - Extinguishers
6640	R & M - Equip & Other Non-Structural Fixed Assets
6750	R & M - Minor Tools & Equipment
6775	R & M -Operation/Field Equipment
6800	R & M - Grounds & Collection Systems
6900	R & M - Buildings & Structures

Reserves

9572	*General Contingency (Operations) Reserve
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Capital Outlay

9006	Infrastructure CIP
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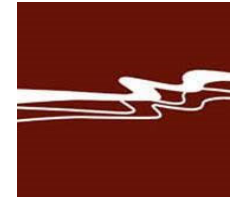
Transfers

9511	Interfund Transfer Out
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Sunnyside School Acquisition

MAINTENANCE CALCULATOR

Staff Type	Cost Per Hour
4 Person Landscape Crew	\$ 160.00
3 Person Cleaning/Janitary	\$ 120.00
Landscape Technician	\$ 220.00
Building Technician (Elec., Plumbing, HVAC, etc.)	\$ 300.00
Admin	\$ 80.00



WALLACE GROUP

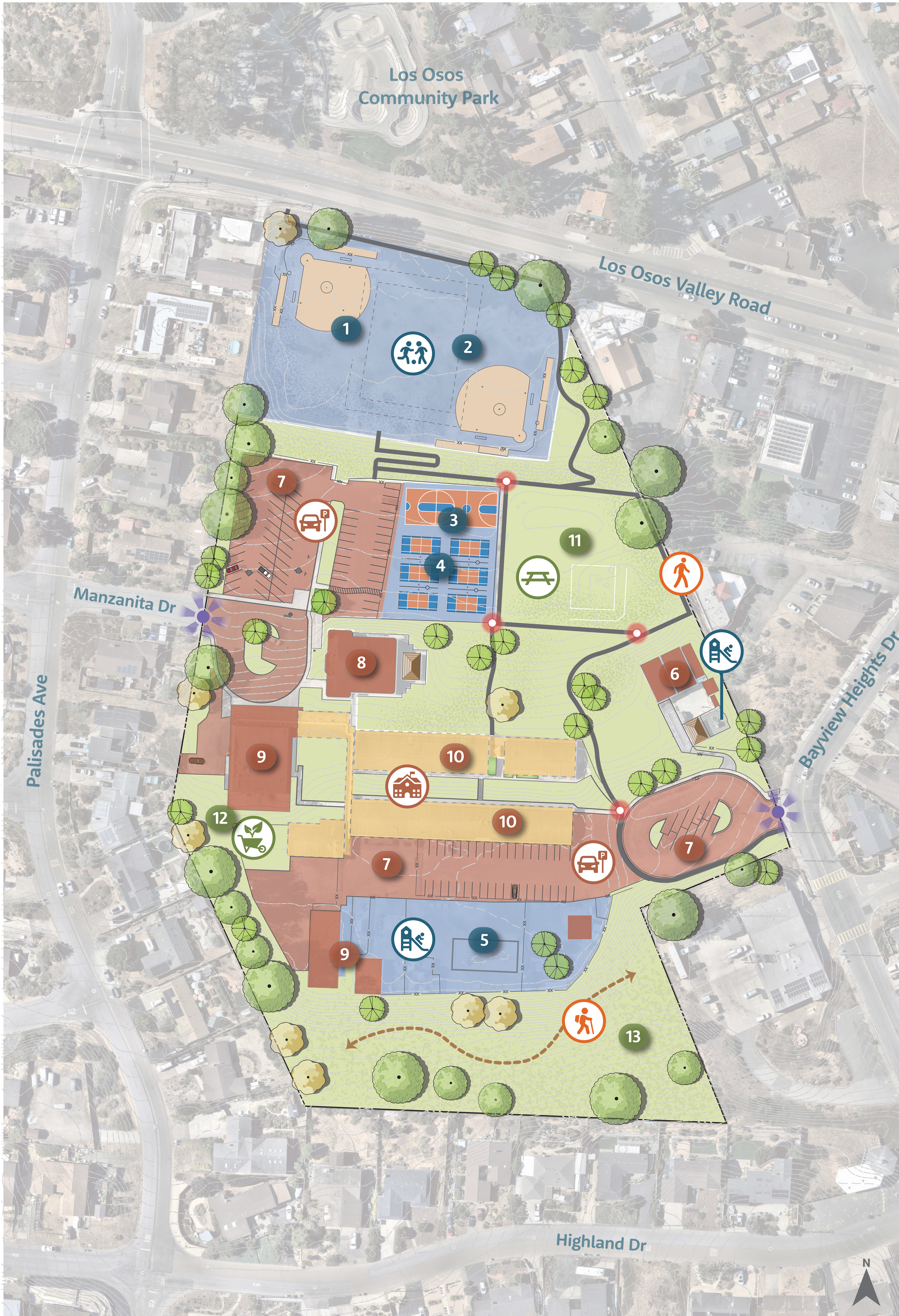
Task Code	Task Frequency/Notes	Unit	Hrs Annually	Staff Type	Cost	Total
GENERAL PARK AMENITIES						
MAINT ADMINISTRATIVE COSTS	15% of all personnel costs	Hr	249	Admin	\$ 80.00	\$19,920
ATHLETIC FIELDS LAWN AND IRRIGATION	8 hr/week (30 weeks); 240 hours	Hr	240	4 Person Landscape	\$ 160.00	\$38,400
BUILDING GEN. MAINTENANCE (CSD)	8 hrs/week (52 weeks); 416 hours	Hr	416	3 Person	\$ 120.00	\$49,920
BUILDING PLUM/HVAC/ELEC MAINTENANCE (CSD)	2 hrs/week (52 weeks); 104 hours	Hr	104	Building Technician	\$ 300.00	\$31,200
BUILDING GEN. MAINTENANCE (COMMUNITY)	4 hrs/week (52 weeks); 208 hours	Hr	208	3 Person	\$ 120.00	\$24,960
BUILDING PLUM/HVAC/ELEC MAINTENANCE (CSD)	2 hrs/week (52 weeks); 104 hours	Hr	104	Building Technician	\$ 300.00	\$31,200
STAIRS AND STEP MAINTENANCE	1 hr/week (30 weeks); 30 hours	Hr	30	Landscape Technician	\$ 220.00	\$6,600
DRINKING FOUNTAIN MAINTENANCE	30 min/week (30 weeks); 15 hours	Hr	15	Landscape Technician	\$ 220.00	\$3,300
EXTERIOR WALKWAY LIGHTING MNTN	30 min/week (30 weeks); 15 hours	Hr	15	Landscape Technician	\$ 220.00	\$3,300
FENCE AND BOLLARD MAINTENANCE	1 hr/week (30 weeks); 30 hours	Hr	30	Landscape Technician	\$ 220.00	\$6,600
LANDSCAPE AND SHRUB MAINTENANCE	80 hours/year	Hr	80	4 Person Landscape	\$ 160.00	\$12,800
GRAFFITTI REMOVAL	12 hours/year	Hr	12	Landscape Technician	\$ 220.00	\$2,640
LITTER TRASH PICKUP REMOVAL	2 hr/week (52 weeks); 104 hours	Hr	104	4 Person Landscape	\$ 160.00	\$16,640
PATH AND SIDEWALK MAINTENANCE	1 hr/week (52 weeks); 52 hours	Hr	52	Landscape Technician	\$ 220.00	\$11,440
OUTDOOR COURT MAINTENANCE	1 hr/week (52 weeks); 52 hours	Hr	52	Landscape Technician	\$ 220.00	\$11,440
PARKING LOT MAINTENANCE	1 hr/week (30 weeks); 30 hours	Hr	30	4 Person Landscape	\$ 160.00	\$4,800
FURNISHINGS AND EQUIPMENT MAINTENANCE	2 hr/week (52 weeks); 104 hours	Hr	104	Landscape Technician	\$ 220.00	\$22,880
SIGN MAINTENANCE	1 hr/month (12 months); 12 hours	Hr	12	Landscape Technician	\$ 220.00	\$2,640
PLAYGROUND MAINTENANCE	1 hr/month (12 months); 12 hours	Hr	12	Landscape Technician	\$ 220.00	\$2,640
SITE UTILITY MAINTENANCE	2 hrs/month; 24 hours	Hr	24	Building Technician	\$ 300.00	\$7,200
NATURE AREA MAINTENANCE	1 hr/month (12 months); 12 hours	Hr	12	4 Person Landscape	\$ 160.00	\$1,920
Totals	Sub Total					\$312,440
	30% Material					\$93,732
Current Day Annual Total	Grand Total					\$406,172
	Cost per Acre (9 acre site)					\$45,130

Notes:

1. The amounts above do not include the Waldorf School and First Five buildings.
2. Maintenance costs are based off of assumed staff time for the various areas and facilities with the average staff costs.
3. Acreage shown above doesn't include the Waldorf School and First Five areas (~3 acres).
4. Estimates are based on the baseline option site plan and assumes no other modifications to the site would occur.

DRAFT

OPTION 1: MINIMAL



LEGEND

Active/Play

- 1 Upgrade and Enhance Sports Fields
- 2 Soccer Practice Field
- 3 1 ½ Basketball Courts
- 4 Add Pickleball Courts
- 5 Waldorf School Playground

Infrastructure

- 6 Maintain and Upgrade Existing Bldgs
- 7 Refinish Parking Lots to ADA Standards
- 8 Minor Renovations - Community Bldg
- 9 Renovations - CSD Offices
- 10 Minor Renovations - Waldorf School Campus

Green Space

- 11 T-Ball Field or Dog Park
- 12 Community Garden
- 13 Open Space and Trails

VOTE HERE



Gateways

Occur at the threshold between the Park and the City



Nodes

Occur when two primary accessible pathways intersect



Paths & Ramps

Primary pedestrian routes providing accessible connection across campus



Trails

Area of site with most extreme topographic grade change

Sunnyside School Acquisition and Park



WALLACE GROUP

OPTION 2: MODERATE



LEGEND

Active/Play

- 1 Relocate and Refurbish Softball Fields
Add Perimeter Path, Terraced Seating and T-Ball
- 2 Soccer Practice Field
- 3 Basketball Court
- 4 Pickleball Courts
- 5 Playground
- 6 Adult Fitness

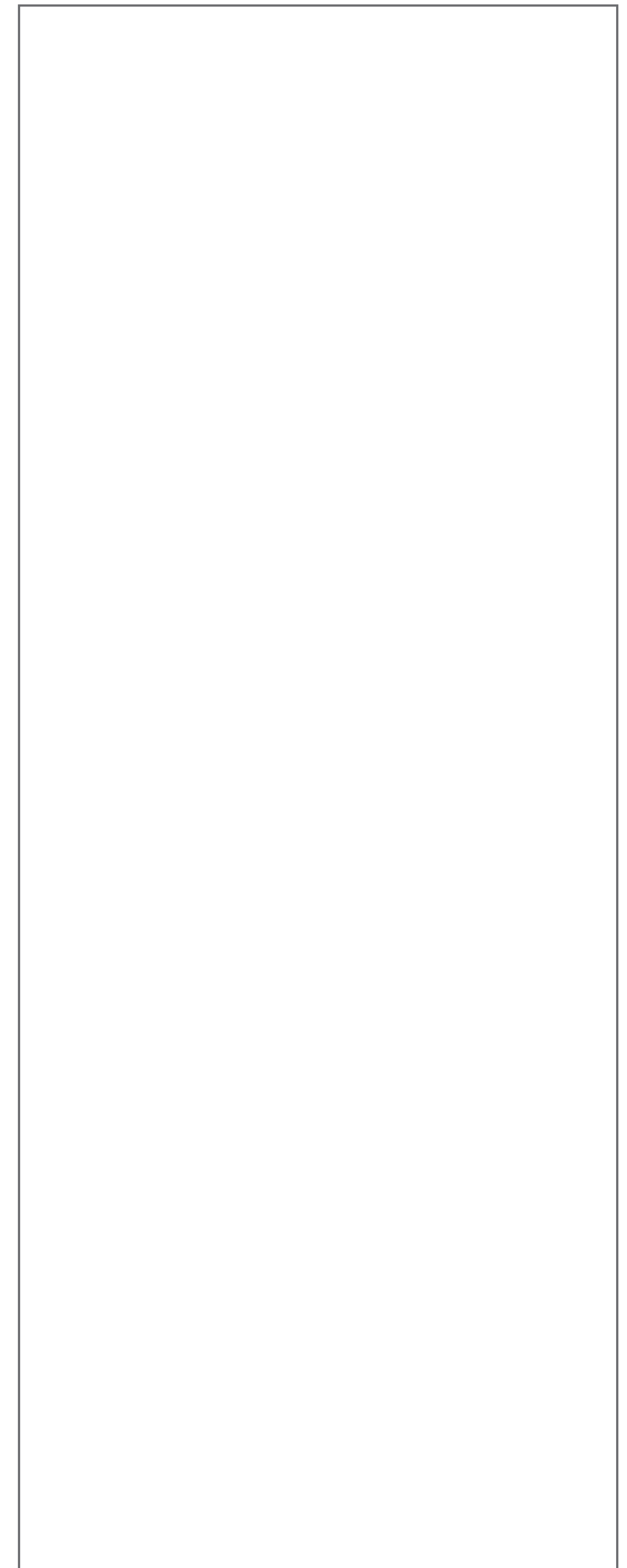
Infrastructure

- 7 Refinish/Expand Parking
- 8 Newly Renovated Senior or Youth Center
- 9 Newly Renovated CSD Offices
- 10 Minor Renovations - Waldorf School Campus
- 11 Workforce Housing
- 12 Day Care Center

Green Space

- 13 Dog Park and Picnic
- 14 Community Garden
- 15 Native Gardens and Trails

VOTE HERE



Gateways

Occur at the threshold between the Park and the City



Nodes

Occur when two primary accessible pathways intersect



Paths & Ramps

Primary pedestrian routes providing accessible connection across campus



Trails

Area of site with most extreme topographic grade change

Sunnyside School Acquisition and Park



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