APPROVED

Enumclaw School District

Minutes

Board Special Meeting

Date and Time
Tuesday October 28, 2025 at 6:00 PM

Location
District Office - Nancy A. Merrill Boardroom

Directors Present
Ben Stouffer, Julianne DeShayes, Paul Fisher, Scott Mason, Tyson Gamblin

Directors Absent
None

Guests Present
Shaun Carey, Stacey Whitten

I. Opening Items

A. Call the Meeting to Order

Julianne DeShayes called a meeting of the board of directors of Enumclaw School District to order on Tuesday Oct 28, 2025 at 6:00 PM.

B. Roll Call

II. Presentation

A.

Presentation

Superintendent Dr. Carey shared that he would give a short synopsis of how we arrived to this point for a special hearing meeting and that Director of Business Kyle Fletcher will share the timeline of the ESD-Oakpointe funding negotiations.

Superintendent Dr. Carey shared:

- In 2011 the district, along with the Oakpointe developer and the City of Black Diamond, entered into the Comprehensive School Mitigation Agreement. At that time, the district anticipated that up to six school sites may be conveyed over the term of the agreement, subject to minimum units and voter approval of bonds to build school sites. The district built in flexibility for future decisions to build larger schools on fewer sites and prioritized neighborhood school locations.
- The agreement has evolved over time to provide for larger elementary school sites and earlier conveyance of some of the sites to the district. The district has also had the opportunity to study demographics noting that enrollment was not as large as predicted earlier. Larger parcels were made available for the potential of building larger schools for the community.
- After unsuccessful bonds, the developer approached the district with a unique funding model proposal that included the district releasing interest in a 42.98 acre high school/auxiliary site in exchange for $40 million and a replacement auxiliary site. The developer also committed to finance up to $25 million to be used for construction. This loan would be paid with future mitigation fees. If there is outstanding debt at the termination of the loan term, the district will be released from the debt and have no obligation to provide any other repayment.

Superintendent Dr. Carey stated that as a conservative measure the board has approved a resolution to surplus the high school site. This action is not the action to release the district's interest in the high school site. Instead, it is a procedural action that declares that property surplus in the event a future and separate Board action releases the district's interest in the real property. In the event that future action does not occur, the district would "unsurplus" the property.

Mr. Fletcher presented to the Board of Directors additional information concerning the proposed release of interest of the high school site and auxiliary school facility site along with the funding negotiations and community communications timelines.

Superintendent Dr. Carey introduced the district's land use attorney, Pacifica Law Group Denise Stiffarm, to the Board of Directors and informed them that she was available to answer any questions they might have for her prior to public comment. *Answers below were given by Ms. Stiffarm.*

Director Question: Can you explain what the land being conveyed to the district means, how many pieces are conveyed and how many are owned by the district?

Answer: Conveyance means the property is transferred to the district and is in the district's ownership. Currently there are two properties that are in district ownership. They are the Ten Trails elementary site and the Lawson Hills elementary site. In 2021 the district moved to secure sites that included the larger elementary sites and immediate conveyance to the two elementary sites. The district has the ability to secure three additional sites and an auxiliary site.

Director Question: How does ownership of those sites transfer?
Answer: Under the current agreement, the transfer of the sites is pegged to preliminary plat approval with the dwelling units in the two master planned communities. One of the sites is tied to a bond approval, but there is the ability at the end of the agreement term for that site to transfer even without bond approval. The district doesn't currently own the high school site. It has an interest in a future transfer. With this transaction should it move forward, the district would be releasing interest for a future site transfer in exchange for cash.

Director Question: If the district releases interest, the district will not be conveyed that land?
Answer: Yes, correct.

Director Question: Per the agreement, Oakpointe would receive the 40 acres, but they would not be able to build additional homes?
Answer: Oakpointe would need to secure from the City of Black Diamond an amendment to the agreement to build more homes. The understanding is that their intent is to move planned homes to build from one location to another location. I am minimizing the amount of work and process of what it would take to make an amendment to allow more dwelling units to be built.

Director Question: Please speak to the $25 million advance funded by mitigation fees. The district does not need to use all of the $25 million, correct?
Answer: Correct. The district wouldn't start drawing on the loan until the time it is needed. The district will spend the $40 million first and then draw on the $25 million when it is needed.

Director Question: What is the exposure for the district on the $25 million? If Oakpointe goes into bankruptcy, is the district on the hook for the funds?
Answer: No. The district will be provided a letter of credit secured by a financial institution that is approved by the district to guarantee the funds are there regardless of what happens to Oakpointe.

Director Question: The funds from the mitigation fees collected will go to the principal and interest of the loan.
Answer: Correct.

Director Question: I want to make sure that the $40 million is for the release of interest of the land and that there is no repayment obligation.
Answer: There is no repayment on that. For ease of terminology, that is the purchase price that Oakpointe is paying to the district for the release of interest.

Director Question: What level of construction interest will Oakpointe have in the building of the new school?
Answer: None. This will entirely be the district's project.

Question: So, Oakpointe is doing a financial arrangement with the district and the district would go out to independently bid to hire contractors to build the school?
Answer: Yes.

Director Question: I have a question on future conveyance of land. At this moment in time, if we release the interest in the high school site we will have two remaining school sites plus an auxiliary site. As we collect those fees per the agreement build out and they are conveyed to us and we use impact fees to purchase that land and if we are paying back that $25 million, how do we pay for the conveyance of those properties?
Answer: There would be no other district dollars required to pay for the conveyance. It would be the distribution of mitigation fee credits to the developer for future development. They would more likely receive mitigation credits and if we get to the end of the agreement and there is a payment for conveyance required, there is no other district dollars required to be paid and if they can't use mitigation fee credits that is okay. The district still gets the conveyance.

Director Question: Will you speak to what the mitigation fees are, how are they collected and where do the funds go?
Answer: School impact fees are collected in unincorporated King County, the City of Enumclaw and the City of Black Diamond outside of the master planned communities. For the master planned communities because of the 2011 agreement, mitigation fees for cash and land were negotiated. These are similar to impact fees, but mitigation fees are tied specifically to the Ten Trails development. As each new dwelling unit receives their building permit, the city collects the mitigation fees per development and it is transferred to the district. The funds are held in a restricted account and tied to the agreement. The funds can only be spent on schools within the two master planned communities. These are different than impact fees which can be used throughout the district.
Director restates: The funds can only be used in the development area?
Answer: Correct.
Director Question: The are two future sites to be conveyed to the district have been labeled as an elementary site and a middle school site. We have 16.4 and 26.7 acres. We do not have to use these as an elementary and middle school site?
Answer: Yes, under this transaction there is flexibility with the use of the sites. The current agreement lists these sites as elementary and middle school sites and this is what the developer and the district initially agreed to. With this transaction and the business

points discussed, we pressed for flexibility in how the sites would be used so they do not have to be used for an elementary or middle school. There is flexibility to use them for educational programs that makes sense for what is needed in the community for example it could be used for a K-8 school or 6-12 school or some other special program school. The auxiliary site is projected to be adjacent to the two sites.

Director Question: Also, we can build multiple schools on one site. For instance the 26.7 acre site could house an elementary and middle school at that site.
Answer: Correct. The only limitation on the two sites is a portion of both the elementary and middle school is located outside of the urban growth boundary in the rural area. King County in 2012 changed regulations to prohibit building new schools in these areas, but playfields and other improvements can be built on the rural side of the line.
Director Statement: For reference Black Diamond sits on 1.9 acres, JJ Smith 3.59 acres, Westwood 8.78, and Kibler 11.59 acres so there is more than adequate space on these two sites.

Director Question: You have been on the project since day one. When was the first meeting with the developer?
Answer: Yes, I have been on this project since day one. The first meeting with the developer was in 2006 with more focused conversations in 2007. The school mitigation agreement was adopted in 2011.

Director Question: During that time early in the process, was it the school board or school district's purview at that time to ever move Black Diamond out of the Enumclaw School District?
Answer: No, that never came up in any conversation that I was involved in.

Ms. Stiffarm added that she and Dr. Carey presented an overview of the project at the Black Diamond City Council meeting on October 16 and answered their questions.

Director Question: In your professional opinion what is the district gaining and what is the financial risk?
Answer: The gain for the district is the ability to use assets that it has currently secured per the agreement and apply them in a way that fits the district's educational program and need today. It is a luxury because something like this is so unique. The risk has been thought through considerably. We wanted to be sure no matter what those dollars are going to be there. Once interest in the school site is released we want absolute security with the cash available immediately and that the $25 million loan is secured because that is the driving force to make sure there is enough money to construct the elementary school. Because so much time was spent thinking about this, a framework has been crafted and the risk is mitigated.

Director Question: What is the appraised value of the high school site?

Answer: The appraisal is confidential still, but is is less than the $40 million offered to the district. If the district were in ownership of the property and were going to sell it, for purposes of the fair market value, Oakpointe would more than secure that with $40 million.

Director Question: What is the motivation of the builder to offer more than the appraised value?
Answer: The builder has the resources to make the property more valuable than it is today. They are probably the only party positioned to make that property more valuable than it is today.

III. Public Hearing for the Release of Interest in Property

A. Board President Julianne DeShayes asked the audience if there was anyone desiring to make a public comment.

Jessica McCoy Storton introduced herself to the Board of Directors. She asked how the community was notified? She did a search on the district's page and said it was discussed last week's board meeting. For those who don't have a reason to attend board meetings or go on the district website, how are being made they aware to come and have a conversation to come and ask questions? This is coming after two failed bonds and that you haven't had anyone cheering for this and it feels very small in decision making. She stated that you say you want to hear from the community, but people she talked to people who didn't hear about it or saw it. She said she wasn't saying you did not do it, but wanted to know on what platforms was the public hearing shared with the community?

Ryan Lundeen introduced himself to the Board of Directors as an Enumclaw resident. He asked the Board who helped in these negotiations and who was involved. He knew that we had the two properties at the top of Lawson and entered into an agreement with the developer to lease back to them. Mr. Lundeen stated that we paid over $3.9 million for it and we're leasing it back to the developer for $500 for a month. The decision making is concerning. He asked the Board to get back to him.

Board President DeShayes asked again for additional comments or questions from the public. There was no one in the audience who requested to make additional comments or ask additional questions. The public hearing was closed.

IV. Board Process Debrief

A. Debrief

There was not a need for a Board debrief.

V. Closing Items

A.

Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:36 PM.

Respectfully Submitted,
Stacey Whitten

A video of the Special Board Meeting can be watched here.