

June 25, 2018

To whom it may concern,

This letter serves as a statement by the District Five School Board to any interested parties in the current Reidville Elementary School located at 300 College Street, Reidville, SC.

The District Five Schools will no longer need this property after approximately December 2019. Therefore, the property is available for other uses. The current appraised value of the property is about \$650,000. A copy of this appraisal is available at >>>. The title has been researched and the District Five is free and unencumbered to sell the property, without restrictions.

Due to community concerns about the property and after receiving input from multiple parties with potential plans for it, the District Five School Board has solicited our legal counsel for an extensive research of all options open to the District regarding the disposition of real property.

Excerpts from his research are as follow:

*Several South Carolina statutes address a school district's disposition of real property. The South Carolina Code provides:*

*[SC Code § 59-19-90(5)] The board of trustees shall take care of, manage, and control school property of the district.*

*[SC Code § 59-23-310] The trustees of any school district may convey, in fee simple, title to any school building within the district which is no longer needed for school purposes upon compliance with the provisions of Section 59-19-250.*

*[SC Code § 59-19-250] The school trustees of the several school districts may sell or lease school property, real or personal, in their school district whenever they deem it expedient to do so, and apply the proceeds of any such sale or lease to the school fund of the district. (This section also required the consent of county council for any such sale or lease, but a budget proviso has suspended that requirement, so no approval of county council is required.)*

*[SC Code § 59-19-125] The board of trustees may lease any school property for a rental which the board considers reasonable or permit the free use of school property for civil or public purposes or for the operation of a school-age child care program that operates during periods when school is not in session, if the property is not needed for school purposes.*

*[SC Code § 59-19-190] Whenever a board of trustees disposes of parcels of land purchased after 1952 with any State funds, any such property disposition is subject to the prior written approval of the State Board of Education. Thus, if the Reidville Elementary School property was purchased after 1952 with State funds, approval of the State Board of Education will be required.*

*[SC Code § 59-40-170] If a school district declares a building surplus and chooses to sell or lease the building, a charter school applicant or a charter school operating in the district must be given the right of first refusal to purchase or lease the building under the same or better terms and conditions as it would be offered to the public. In short, South Carolina laws clearly vest the Board of Trustees with broad authority and discretion to sell or dispose of property that the District no longer needs for educational purposes.*

*In addition to these laws, the Board has adopted a policy that applies to this transaction.*

*Board Policy DN (School Properties Disposition) states in part:*

*The superintendent will advise the board that certain property is no longer needed for public school purposes. The board may sell or lease school property, real or personal, whenever such property is no longer needed for school purposes. The district will apply proceeds of any such sale or lease to the general fund of the district.*

*Thus, Board policy instructs that unneeded property may be sold or leased, but does not specify the method for any such disposition.*

*The District has the statutory and constitutional power to dispose of its real property for a consideration that the Board of Trustees considers adequate. When determining adequate consideration, the Board may consider indirect public benefits from the transaction. In other words, if the Board decided to dispose of property for something less than fair market value, the Board would have the authority to do so based on a consideration of other benefits to the constituents of the District. The District, however, is not obligated to do so. The Board is charged with properly managing the property and operations of the District, and must be mindful of the best interests of the students and the District.*

*In considering the disposal of unneeded school property, a public school district has several options, as follows:*

- 1. Public auction;*
- 2. Direct negotiation for a sale;*
- 3. Lease; or*
- 4. Barter or exchange.*

*In this instance, I understand that multiple parties have expressed an interest in this property. As a result, a public auction would appear to be the most prudent and appropriate method for selling the property. The Board, acting as a steward of the District's financial affairs, must consider what is most beneficial to the school district.*

*In addition, a decision to dispose of the property in a manner that is not seen by the public as being advantageous to the District could result in a legal challenge by a taxpayer. Of course, any such litigation, even if not likely to be successful, could cause delays and unnecessary expenses.*

*Accordingly, based on a consideration of the applicable laws and the facts, our opinion is that the District and the Board would be best served by proceeding with the public auction as planned.*

The Board seeks to work with the all parties in resolving this matter in a manner which meets our fiduciary responsibilities to the taxpayers of the District and serves the communities affected. However, it may be impossible to satisfy all parties in this matter and it is not within the authority of the District Five School Board to determine the best path forward for any community.

We encourage interested parties to utilize this time to assemble a plan to meet the financial requirements of a sale and prepare a bid. District Five School Board will set a date and process for the bid and subsequent evaluation. Adequate time will be given for this bid, which we anticipate taking place in early 2019.

Sincerely,

Spartanburg District Five School's Board of Trustees  
Chairman, Rick Eitel