

ANC 3E Special Committee Report

August 9, 2007

1. In the two months that have elapsed since we began our work, we feel that real progress has been made. When we started, there was support for a sole-source contract that would have left Janney Elementary with only about one-third of the new facilities it needs and is entitled to. Subsequent discussion, research, and events have led to the emergence of a community consensus around three points involving the school component of this project. Any public-private partnership (PPP) at this site should:
 - be competitively bid.
 - provide for the complete modernization and expansion of Janney's campus that is contemplated in DCPS's 2007 Master Facilities Plan, which entails a doubling of the built space to meet educational standards for 550 students.
 - ensure that Janney's facilities needs are met more quickly than they would be in the absence of a PPP.

Unless a PPP can achieve all three of these objectives, our perception is that there would be very little community support for entering into such an arrangement.

2. Thus far, discussions about joint redevelopment opportunities at this site have focused on Janney Elementary rather than on the Tenley-Friendship library, which has been closed since December 2004. If the library is incorporated into a mixed-use project requiring competitive bidding, rezoning, and major excavation, then we believe that the reopening of this branch will be delayed by a minimum of two years. The most recent comparably-sized project built locally (Chase Point) took about 5 -1/2 years from proposal to occupancy. Given that it would probably take six months to choose a developer, it could easily be the Summer of 2013 rather than the Spring of 2010 (as currently scheduled) before our library is rebuilt, if we opt for a mixed-use approach. The community needs to discuss how much additional delay it is willing to accept in reopening this branch and what type of benefits would be necessary to justify such a delay.
3. No one in DC government has systematically analyzed whether this parcel can accommodate all of the school and library facilities needs while simultaneously providing more than 100 new residences. Before any Request for Proposals (RFP) is issued or any agreement entered into with a private developer, there must be a full site plan demonstrating how DCPS can provide the facilities (both indoor and outdoor) called for in the current educational specifications for an expanded population of 550 students. Any RFP should include (or require) conceptual plans showing how future school and/or library expansion could be accommodated in conjunction with the proposed residential development. We feel very strongly not only that existing overcrowding needs to be relieved, but also that Janney must have room to grow. We value Janney's commitment to a diverse student body and we anticipate increasing neighborhood demand based on increases in the population of our community and/or in the number of families choosing public schools for their children. Because of its convenient Metrorail access and the presence of so many public schools in the immediate vicinity, Tenley-Friendship Library has

always had a very high level of usage and served patrons beyond the immediate neighborhood. We don't want to see educational facilities shoehorned into the remaining nooks and crannies of this campus after condos are built on the prime real estate. Our overriding goal at this site should be to create and maintain an excellent elementary school and an excellent branch library that will serve as resources both for the neighborhood and for the city.

The threshold question here is: Should public land at this site be devoted to private use? And, if so, how much and what kind of private use is optimal? That's a decision that must not be left to developers. And these are questions that can't be answered until DC government has done the planning necessary to determine its facilities needs at this location. No RFP should be issued prior to the completion of such planning. Once an RFP is issued, DC government should not be committed to accepting the best offer it receives. The city can explore a variety of options, but if it turns out that the needs of the library or the school are best met by foregoing private development on this land, then no PPP should be entered into.

4. At this point, we are highly skeptical that adding private residential development to this site will speed up Janney's modernization. There will be resistance to letting Janney "jump the queue"; deplorable conditions at other DCPS schools give rise to legitimate concerns about equity. We have heard from a number of sources that money isn't the bottleneck on renovations – it's building, planning, and supervisory capacity, as well as the availability of swing space. Under the circumstances, moving Janney forward means moving some other school backward. Also, the track record of previous DCPS public-private partnerships suggests that it takes at least 5 years from the establishment of a partnership to the completion of construction, as the Janney SIT acknowledged when it first explored this option in 2003. Given the complexity of this project and everything we've heard about the number of steps and governmental agencies involved, we think it would be naïve to expect results any sooner. If an RFP is issued for this site, it will be important to inform developers that an essential element of the project is an accelerated schedule for the school's modernization and to require them to submit detailed and realistic timelines. Without this information, the community will not be in a position to make an informed decision about the merits of each proposal.
5. Construction staging will be a crucial issue and a major determinant of whether a public-private partnership can meet the community's goals. For example, under Roadside's scenario, for a variety of political, economic, and logistical reasons, the library/residential building would be built before the addition to the school. Unless DCPS is willing to have two construction sites going simultaneously on Janney's campus (which would necessitate bussing Janney students to swing space), then the school's expansion probably cannot commence until after the library/condo project is well underway, if not completely finished.

6. The value of the land at this site is much less than the cost of updating the public facilities located here. Roadside estimates the land value at less than \$10 million, while DC government has budgeted over \$40 million for capital improvements to the library and the school. Moreover, there are increased costs associated with embarking upon a mixed-use proposal. According to the OCFO, every month of delay adds another 1% to construction costs. Between rising construction costs, additional outlays for the interim library facility, and the expenses involved in redesign and legal work, it's easy to imagine that DCPL will have to lay out an additional \$3-4 million if the library is rebuilt as a mixed-use building. Also, adding market-rate condos to the site will necessitate the provision of underground parking for teachers and library patrons, adding another \$2.5 - 3 million in previously unbudgeted-for costs to these capital projects. Finally, the \$10 million figure for land value assumes that there is no affordable housing onsite, whereas both the Mayor and the Council are aiming for 30% on public land. The land's value (and hence its purchase price) will decrease when market-rate units are replaced with affordable ones. In sum, once underground parking is paid for, cost overruns are covered, and affordable units are built, there will be very little money remaining in this project for school or library construction, either here or elsewhere.
7. We see no economic value added in a project such as the one Roadside has described. We're being asked to liquidate an asset (public land) in order to build public facilities whose construction costs are already covered through capital budgeting. Thus far, the "concept" under discussion for this site is not really a public-private partnership. The proposed structure of the deal does not involve any shared investment or risk on the part of the private developer. It just rearranges which kinds of public resources are used and does so in a way that actually increases the costs of financing public improvements.
8. We feel strongly that any affordable housing provided at this site should be truly affordable (not targeted to households earning 80-125% AMI) and designed for families with school-aged children. Families with both kids and seniors would benefit most from this location, which provides easy access not only to schools at all levels, but to senior services, public transportation, and employment opportunities. The challenge DC government faces is to find a way to provide such housing without substantially delaying the reconstruction of the library or overburdening this site. Currently, only a relatively small fraction of the residential units involved in this project (at most, 30% of the total) are slated to be affordable. Couldn't the same number of affordable units be provided without causing major delays if the city partnered with a nonprofit affordable housing provider, offering the land rights in exchange for the construction?
9. The ANC (as the elected representatives of the entire neighborhood) must play a continuing role in the process of deciding whether a public-private partnership should be entered into at the Tenley Library/Janney School site. New proposals should receive the same kind of scrutiny that Roadside's concept has been subjected to. The ANC has already been assured that it will be shown any draft RFP and asked for input before it is released. We also want to ensure that the ANC will continue to play a role in vetting proposals once they are received. Given the variety of local interests to be balanced, ongoing ANC involvement in this project is crucial.

Respectfully submitted,

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