

**ANC 3E Special Committee on Roadside's
Public –Private Partnership Proposal
PUBLIC MEETING
St. Columba's
25 June 2007**

The purpose of tonight's meeting is not to gauge public opinion but to communicate to you what we've learned over the course of our first four special committee meetings and to identify some unanswered questions and potential concerns. We also wanted to give our constituents the chance to speak directly with representatives of DCPS and DCPL who are present here tonight.

The ANC has not taken a position on this project. At this stage, I think most of the Commissioners see our role as doing what we can to ensure that community consensus emerges from a well-informed and inclusive public discussion. Media coverage of the project has left many people with misconceptions about the nature of the proposal. We've done our best to provide you with clear and accurate information, but we are well aware that this is an evolving proposal emerging in a context where the rules of the game are either in doubt or up-for-grabs. We neither expect nor hope that anything communicated tonight represents the "last word" on this project. Instead, we conceive of this meeting as initiating the next phase of an ongoing conversation.

At our regular ANC meeting in May, Roadside and the Janney SIT distributed handouts outlining the potential benefits of this partnership. Tonight's handouts serve a different function. They are primarily oriented toward comparing the alternatives available to us and toward identifying and addressing weaknesses in the proposal as it currently stands.

We'd like to thank Roadside for their candid and highly substantive participation in our special committee sessions. We appreciate their understanding that our questions and criticisms are motivated by a desire to clarify what's at stake in this decision and to anticipate (and, where possible, solve or avoid) problems in the future. It's in everyone's best interest to enter into a deal such as this with eyes wide open, risks understood, and expectations clearly stated.

Amy McVey
Chair, ANC 3E

	Status Quo	With PPP
Janney Elementary	<p>\$500,000 for repairs this summer</p> <p>Fully-modernized facility of 82,500 SF to meet current educational standards for 550 students.</p> <p>Education specifications call for 27,500 SF of outdoor space, divided equally between hard and soft surfaces and spread out over 3 separate age-specific playground areas.</p>	<p>\$500,000 for repairs this summer</p> <p>52,000 SF facility. Will meet current education standards for 347 students. (Janney enrolled 485 students in 2006-07).</p> <p>Unclear when and by whom main building will be modernized. Land lost (.29 acre) or underutilized in building this project, would render the provision of the remaining 30,500 SF difficult.</p> <p>Underground parking – approximately 75 spaces to be shared by school and library.</p>
what?		
when?	Under 10 year CIP plan, funding would begin in 2012, with construction scheduled to be completed by 2015. But the fate of the 10 CIP Plan is uncertain. Council wanted to extend the timeline; Mayor may want to speed things up.	Judging from two previous cases (Oyster and School without Walls), it will take 5-6 years from DCPS approval of the project until the completion of construction. This ppp is more complex than either of the previous ones. See ppp chart.
Tenley-Friendship Library	<p>20,000 SF on two equal-sized floors. Design to be determined over the next few months, during which time a series of public meetings will be held to discuss needs and preferences.</p> <p>Community meeting space will be included in the branch and will be accessible outside of regular library hours</p> <p>Minimal parking, above ground.</p>	<p>Roadside has proposed 23,000 SF on 3 floors; DCPL has indicated it doesn't want more than 2 floors.</p> <p>Likely outcome of discussions/ negotiations would be a two-story library of 20,000+ SF in which most library services are located on one larger floor, with community meeting space on a different level. Library will retain control of the design process.</p> <p>Underground parking -- approximately 75 spaces to be shared by school and library.</p>
what?		
when?	Funding is already available, currently being spent (on demolition, selection of architect). Target date for completion of construction is early 2010.	Library re-opening will certainly be delayed by a PPP. Not clear how long. See discussion under residences below.
Residences		
what?	none	<p>TBD -- Financials based on 125 condos, with an average size of 880SF and an average selling price of \$519,200.</p> <p>TBD –currently 63 underground parking spaces for residents</p>
when?	N/A	Construction cannot begin until financing is worked out, mixed-use building is designed, and PUD (or rezoning) is granted. Once commenced, construction is estimated to take 2 years.

Frequently Asked Questions

Isn't the block that contains Janney and the Tenley-Friendship library currently underutilized?

Depends on your point of view. Every school day, that block is filled with more than 800 people who are there to teach, learn, or work. In the evenings and on the weekends, the Church and the library, as well as the Janney playgrounds, are in use. This isn't empty space – it's simply institutional space rather than residential space (except for the five homes on 42nd St. whose yards border Janney). It doesn't generate profits, but it anchors our community.

Shouldn't we be in favor of proposals to use private funds to subsidize the construction of public facilities?

That's not what's being offered here. All of the money dedicated to the construction of public facilities under this proposal will come from public funds. Three sources of financing are proposed: capital budgets (DCPS and DCPL), proceeds from the sale or lease of development rights on public land, and a bond based on future tax revenues. The proposal is to diversify the sources of public funds, but all of construction costs for the public facilities will be borne, one way or another, by DC government. Only the for-profit component of the project (housing) will be privately funded.

Won't turning to the private sector help us avoid the delays, politics, bureaucracy, and unreliability that have plagued DC's capital improvement projects?

Actually, this public-private partnership would increase both the number of governmental decisionmakers and the complexity of the issues they confront.

If we rebuild the Tenley-Friendship Library without a public-private partnership, the only government actors involved at this point would be the Office of Contracts and Procurement (which will solicit construction bids), the Council (which will vote on whether to accept that contract), and DCPL (which will design the facility). If we depart from this scenario to accept Roadside's proposal, we create a situation in which rebuilding the library involves ongoing negotiations with DCPS (re design, financing, staging of construction), securing approval from the Zoning Commission for a PUD or map amendment, and convincing the CFO to divert a tax revenue stream to this project and to issue a bond. This is more government involvement (more politics, more delays) – not less.

Won't a public-private partnership enable us to get better school facilities sooner?

That's not at all clear. It's a political decision that will, necessarily, involve questions of equity citywide. Certainly, there's a powerful argument against letting local land values -- rather than need -- determine the size, quality, and timing of school facilities construction projects.

DCPS has developed a policy on public-private partnerships that would preclude their use as a means of jumping the queue or to augmenting a particular school's budget for modernization projects. DCPS is interested in public-private partnerships primarily as a source of cost savings and as a means of speeding up the progress of the entire modernization queue.

But, of course, “DCPS” is a moving target these days. The new Chancellor, Michelle Rhee, and/or the new director of the Office of Public Education Facilities Modernization, Allen Lew, may see things differently.

How does Roadside’s proposed addition compare to what DCPS plans to build?

The proposal here is for substantially less space than what DCPS’s current Master Facilities Plan has said Janney needs and DCPS plans to build. Roadside’s 13,000 SF annex would add little or no new capacity to the school. Instead, it replaces the portables with permanent construction, updates the library, and separates the gym from the cafeteria. Offices and bathrooms are welcome additions, but they don’t provide the program space required to meet DCPS’s educational standards for a school this size (currently 485 students) -- much less the larger (550 student) school they envision Janney becoming in the near future. That would require an additional 30,500 SF (beyond what would be constructed under this plan) of interior space, as well as the creation or retention of a variety of dedicated outdoor spaces (separate play areas for PreK-1, grades 1-3, and grades 4-5, each divided between hard surfaces and soft surfaces) and the necessary buffers between all of these facilities.

Roadside has pledged to pay fair market value for their use of public land. But that value (under \$10 million) is substantially less than the cost of meeting Janney’s facilities needs (DCPS has budgeted over \$25 million for Janney’s modernization and expansion). Moreover, only a fraction of that \$10 million would be available for school facilities. The first \$3 million will go to providing public parking underground and then the remainder will be divided between the library and the school, each of whom are contributing about half of the land on which the residential building will be constructed. Given its location and zoning, the library’s parcel is arguably the more valuable one and that may entitle DCPL to a larger share of the sale proceeds.

Can Roadside’s addition be built now and the rest of the required program space be constructed later by DCPS on its own time schedule?

Given the siting of the school’s main building and the topography of the campus, it’s hard to imagine how all that could be provided at a later date if we cede .29 of an acre of Janney’s campus to a residential building, construct underground parking facilities under the rest of the soccer field, and build a small two-story annex whose top floor can’t bear weight.

Open Questions

(Please add your own! Our goal is to come up with a list of issues worth considering and discussing as we, as a community, evaluate this proposal.)

1. Does it make sense to sell off public land on an already overcrowded school campus in a neighborhood where the city is trying to encourage additional residential development?
2. Will there be competitive bidding on this project? If so, how long would that take? If not, why not? What reason do we have to believe that Roadside is the right private partner for this project?
3. How will the Mayoral takeover affect school modernization? Will it change the speed of modernization generally? Will priorities change? If so, is Janney likely to be modernized sooner or later than previously anticipated (2012-2015)? Didn't the Council vote last year to establish a \$2.3 billion school modernization fund? When will that money be available?
4. Will the CFO be willing to dedicate the future property tax stream from residential construction on this site to Janney and the library and issue a bond on that basis? If so, how much money would that make available for construction and when?
5. How will any such bond revenues and revenue from sale/lease of public land be apportioned between DCPS and DCPL?
6. How much delay in reconstructing the library is acceptable? How long is the interim branch funded for?
7. What happens if financing for the condo project falls through or the Zoning Commission doesn't grant the upzoning required to make this project feasible? Aren't there a number of points deep into the process where this partnership could fall apart? Couldn't we find ourselves back to square one a few years from now?
8. Will Roadside's request for \$40 million in public subsidies for their O Street Market project make the Council less than eager to partner with them on this venture? Should the history of that project leave us concerned about delays?
9. If we are going to embark upon the joint redevelopment of the school and library sites, shouldn't Janney and the library share more than just parking? What about things like performance space, technology, and collections? If we're willing to delay the library's reconstruction to benefit the school, shouldn't we be thinking bigger? Janney, Deal, and Wilson are all within walking distance and are all slated for modernization. Would a public-public partnership that pools DCPS and DCPL funds to create a research and study-oriented library for schoolchildren be possible? Are other types of public-public partnerships worth considering?

10. If there is going to be residential development on this site, shouldn't a substantial amount of it be truly affordable and family-sized, given the proximity of DCPS schools at every level (as well as parochial and private schools and preschools)?

11. DCPS's 2007 Master Facilities Plan made real progress by limiting itself to recommendations that were consistent with capital funding commitments (the school modernization fund) and by basing its modernization plans on a consistent set of educational standards specifying how much and what type of program space should be required on a per student basis at each type of public school. Given those commitments, why should we agree to relinquish some of the campus's land in order to build a facility that falls far short of current educational standards?

	Source of capital for private development?	Public facilities funded through tax revenue set-aside?	Rezoning required?	Historic Preservation review?	Equity issues?	Mixed-use building?	Additional public partners?	Private partner's experience/ qualifications?	Length of process? (from DCPS approval to doors opening)
Oyster	Self-funded; LCOR came into the deal in partnership with Northwestern Mutual Life Insurance.	YES – construction bonds are being repaid through a PILOT agreement between DC government and LCOR.	NO	NO	NO – deal entered into prior to existence of master facilities planning, school at risk for demolition, bilingual program bridges neighborhoods.	NO	NO	Extensive involvement in public-private partnerships. Chosen through a competitive bidding process.	6 years
School without Walls	Self-funded; GWU is building itself a dormitory.	NO	YES	YES	NO –building was high priority for renovation/ expansion, program serves students from across the city.	NO	NO	20+ year working relationship with SWW as well as experience designing and constructing its own educational facilities.	5 years? (3 thus far; completion projected for 2009)
Janney	Financing not yet in place.	YES – bond issue and PILOT/TIF agreement will be requested. If condos are built, then the property tax revenue involved would come from individual owners.	YES	YES	YES –proposed acceleration of the modernization process would be based on local property values rather than on need. All revenue involved is public money owed to system or city as a whole rather than to the neighborhood. Additional equity issues re division of proceeds between DCPS and DCPL.	YES – residences and library in same building; school facilities are separate.	YES – DCPL	No experience structuring p/p/p's or building schools or libraries. Has done mixed-use and historic preservation in DC. Cityline is a local success story, but O Street Market's redevelopment has been stalled for years and Roadside is currently seeking a \$40 million+ public subsidy for that project.	unknown – project is less novel but significantly more complex than previous two and more decision-makers are necessarily involved.