

ANC 3E SPECIAL COMMITTEE REPORT ON RFP SUBMISSIONS

The analysis in this report is based developers' presentations at DMPED's February 28th meeting (and subsequent review of those presentations, which each developer made available to us in electronic form) as well as written and oral responses from all three developers to a set of questions we sent to each regarding project specifications. DMPED has refused to make public any part of the developers' submissions in response to the RFP, despite repeated requests from the ANC and other community members.

Based on the evidence available to us, we feel strongly that the community's interest would be better served by leaving the modernization of Janney School in the hands of DCPS rather than by adopting any of the three proposals submitted.

- All three proposals involve the sacrifice of campus land for non-educational use.
- None of the three provides all of the exterior program space mandated by DCPS's current educational specifications for an elementary school campus of 550 students. Not only is the multi-purpose PE playing field miniaturized in these proposals, but children are also deprived of the playground (including hardscape) space to which they are entitled and which could easily be provided on campus if land were not devoted to non-educational uses. The imminent closure of many other DCPS elementary schools is likely to increase enrollment pressure at Janney and we've previously seen recently modernized schools (e.g. Oyster) instantly overcrowded. Under the circumstances, voluntarily accepting fewer facilities than DCPS's educational specifications envision for an elementary school of 550 students strikes us as foolhardy.
- None of the proposals offers a realistic assurance of speeding up the school's modernization and each will be significantly more disruptive to the education of students at both Janney and St. Ann's than a stand-alone school modernization project would be.
- While DMPED has deprived us of access to the financial details that would enable us to assess and compare the exact costs associated with each project, the facts that the RFP offered DCPS's capital funding for Janney's modernization to the winning development team (and none seems likely to turn \$20+ million down!) and that two of the three teams have explicitly referenced the use of PILOT financing, suggest that there will be no cost savings to the city if a public-private venture is used to redevelop this site. On the contrary, it seems most likely that the level of public subsidization for this project would be increased.

We therefore urge the ANC to endorse the "no PPP" option, and to continue to push for the soonest possible modernization and expansion of Janney's facilities by OPEFM.

Because the ANC Commissioners may wish to express preferences among, or flag issues related to, the various responses to the RFP, we felt we should include some comments on the comparative merits of the three proposals/teams, in addition to our more general recommendation.

UniDev/See Forever:

Basically, there is almost nothing in this project for either Janney School or Tenley-Friendship Library – not even fair-market compensation for their loss of land. UniDev’s goal is simply to build affordable housing on public land. That’s a laudable goal, but we don’t see why it must be pursued at the expense of playground and sports facilities for DCPS’s most overcrowded elementary school campus.

Roadside/Smoot:

This proposal appears to us to involve a serious element of “false advertising” designed to garner community support at the expense of a clear understanding of what is being consented to. For example, this team holds out the prospect that Janney will have a new addition by September 2010 and that the children can remain on campus throughout all phases of construction. We find the first claim non-credible. Both other teams estimate that there will be two years of approvals and predevelopment work before ground can be broken on this project. And Roadside’s own timeline calculations are based on indisputably fictional premises (unless they were actually awarded the deal last week and have already filed a PUD application!) as well as on contingencies that seem quite unlikely (e.g. that funds for the school’s construction will be made available to them in 2009 rather than in 2013, as the RFP specifies).

Our swing space concerns stem from comparing Roadside’s timeline with its site plans and seeing that, for a substantial portion of two academic years, Janney’s historic building would be flanked by construction on both sides, at a time when the demountables and teacher parking lot would necessarily still be in use. Trapped between two construction sites, with little or no land available for outdoor play, students will find it very difficult to learn in this environment and teachers will find it quite challenging to teach.

The analogy to Smoot’s “swing-in-place” experience at Key is specious. Key’s construction project was half the size of what Janney’s modernization/expansion will be, it took place on a campus almost as large (3.17 vs. 3.29 acres), and it involved 285 fewer children. And, of course, there was no residential building being constructed on Key’s campus while the school was being rebuilt. For what it’s worth, we do believe that a swing-in-place strategy would be possible if Janney’s modernization were the only construction project on campus and that DCPS will pursue such a strategy if that is the case.

Secondly, for a number of reasons, the O Street Market project raises serious concerns about Roadside’s ability to deliver on a project of this complexity. Roadside acquired site control of O Street Market in 2001, but still hasn’t broken ground there. At different points, its plans were shot down by the Historic Preservation Review Board and by the Zoning Commission, two agencies whose approval will also be needed for the Janney project. Clearly, not all of the circumstances that have contributed to the slow progress at O Street Market are Roadside’s fault (e.g. a freak snowstorm and a grocery chain takeover also played a role), but, equally clearly, Roadside significantly overestimated its own ability to win

approvals and underestimated how long it would take to get things done, and the Shaw community has suffered as a result.

While we're happy to see that the fortunes of the O Street Market project are rapidly improving (HPRB approval has been granted and ZC approval seems within reach, although \$40 million in TIF financing still looks iffy at this point), we have serious concerns about whether Roadside has the capacity to take the lead on two major projects of this complexity simultaneously. They lacked even the manpower to send representatives to both events when a separate meeting for each project was scheduled on the same night last week. Because the O Street project has been delayed for so long, there will be significant pressure to move forward quickly once it finally does get funded and approved. The Tenleytown project could easily become the lower priority if conflicts were to arise.

LCOR:

We have no real qualms about LCOR's ability to undertake and complete this kind of project. And we believe that their proposal takes a relatively realistic and responsible approach to the project presented in the original RFP. But we also think that it is precisely this realism – i.e. about how much housing would have to be built to make the deal economically worthwhile, about where traffic should be routed, about how much field and play land would be lost, about how long it will take to redevelop the site and whether Janney students should be relocated to swing space during some phases of the construction – that makes its proposal less than appealing even to those community members who have eagerly advocated a public-private venture at this location.

The Oyster experience also leads us to flag an issue regarding the purported economic benefits of a joint public-private redevelopment of this land. To put it bluntly, LCOR does a much better job at negotiating than DC government does. The PILOT (payment in lieu of taxes) arrangement for Oyster may well turn out to involve a 20 year tax break for the owner of that apartment building. The ordinary property tax liability is edging very close to the agreed-upon PILOT payment (which will soon function as a cap) and may surpass the PILOT amount even before DC government has collected enough additional revenue from it to cover the fair market value of the public land sold!

Moreover, from an income tax standpoint, the apartment building that consumed virtually all of Oyster's exterior space is most likely a low-performer. It was sold to a corporate housing provider and its tenant base includes many sojourners who are legal residents of tax jurisdictions other than DC. The obvious analogy in our neighborhood would be if a rental building at the Wisconsin & Albemarle site were to become a literal or de facto off-campus dorm for AU students, over 90% of whom are not legal residents of DC and who typically have low incomes (but parents able to afford high rents, especially when units are shared). This isn't an issue that arises only in the context of LCOR's proposal – Roadside plans to build apartments as well and both companies seem more likely to sell the building than to manage it long-term. Odds are, they won't have the luxury of choosing their buyer or of determining who rents the units.

Finally, there's the issue of the library. Again, this is not an issue that is unique to LCOR, since each development team has indicated that it would be delighted to see the library land thrown back into the project. But LCOR's proposal raises the question most saliently, because there seems to be a real possibility that LCOR will withdraw from the project unless the library land is made available. Both in the press and in our community meeting, LCOR indicated that they weren't sure that a project involving only the school's land would be economically feasible. And they did not revise their design to propose such a project. By contrast, both Roadside's and UniDev's current plans assume a stand-alone library – albeit not the particular library (i.e. footprint, location, height) that DCPL plans to build. Accepting either of those offers would, therefore, require some change in plans – but the change could be in the residential plans rather than the library plans.

So the questions remain as to whether DCPL's current plans for a stand-alone branch should (or will – these are different issues) be derailed once again to accommodate mixed-use development on this site. We hope not -- especially since it seems likely that the best chance of meeting Janney's facilities needs and expediting its modernization would be to have OPEFM undertake the project and to devote the entire campus to school facilities rather than additional uses.

When this discussion began, community interest in a public-private venture was premised on the notion that allowing private development on this public land might be worthwhile if it enabled the city to provide better public facilities. Yet now we find ourselves at the point where we're being told that it's not enough to sacrifice our school's facilities needs to make private development possible at this site – we must sacrifice our library as well, by delaying its reconstruction and compromising its exciting design. To our minds, that's a real perversion of civic priorities.

The public-private redevelopment option for this site has now been thoroughly explored. And the results are in -- it should be rejected.