

Baltimore City Surplus School Plan

August 1, 2017

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Introduction¹

In 2012 Baltimore City Public Schools (“BCPS” or “City Schools”) announced that it would close 26 school facilities over the course of 10 years, approximately 16% of all schools in the City. The closures are tied to the 21st Century Schools Buildings Plan, an initiative to provide new investment for school facilities throughout the City. Under the plan, BCPS will leverage nearly \$1 billion of funds to renovate and modernize all public school buildings in Baltimore. As part of this modernization, the BCPS must right size its capacity.

Across the United States, cities and towns of all sizes face the prospect of closing school facilities. Between 1995 and 2012, an average of 1,630 schools closed per year. While school closures are nothing new, they nonetheless pose daunting challenges to jurisdictions seeking to find productive reuses for closed facilities and their surrounding property.

While the closure of 26 schools will allow BCPS to consolidate its facilities in a more efficient way, these closures present significant challenges to their surrounding communities. Given that many closing schools are in areas already facing economic distress, redevelopment can be difficult and vacant school sites only serve to add to the challenges facing communities. Chief among these challenges is the issue of vacancy and blight. Vacant school properties have a negative impact on their surrounding neighborhoods. Aside from the aesthetic issues posed by a blighted site, blight reduces property values (harming both resident household wealth as well as the City tax base) and alters the perception of neighborhoods. They also create safety and maintenance issues that can reduce quality-of-life for nearby residents. In addition to all of this, schools are institutional anchors in their communities. For some communities, a school is the primary or only anchor in the area. Their closure often generates strong feelings amongst residents and places stress on community fabric.

School closures also pose a challenge to the City of Baltimore, which faces a significant financial burden related to the carrying costs associated with the wave of planned closures. As school programs close and properties are surplus by BCPS to become part of the City’s inventory, the City will be responsible for all costs associated with the properties. These costs include, but are not limited to, security, maintenance, debt service, demolition costs, and the need to provide incentives or subsidies to encourage reuse. Regardless of the speed with which the City is able to determine new uses for school sites through a lease, sale, or transfer, each property will require significant financial support. For most properties planned for closure, any value to be gained through disposition will be less than the carrying costs of the properties. Due to the large number of facilities scheduled for closure and surplus over a relatively short timeframe, the magnitude of costs will be far greater to the City than previous school closures.

Although vacant land and buildings present significant challenges, they also have the potential to be assets to their communities. These sites provide large-scale opportunities for new land uses that transform neighborhoods, particularly if the new use can catalyze additional development, investment, or interest in the nearby area. In the same way that the INSPIRE Program is leveraging investment in new school facilities to encourage community development

¹ This section is excerpted from “A Reuse Framework for Surplus School Sites: City of Baltimore” prepared by HR&A Advisors, Inc. as part of The National Resource Network, December 16, 2016.

and investment in surrounding neighborhoods, the City of Baltimore must consider how to leverage surplus school sites to make them assets to the communities around them. Doing so requires coordinated public leadership, strong community support, well thought out urban planning policies, and interest from private developers.

Background about 21st Century Schools and Surplus Schools

Overview

Through the collective efforts of Baltimore City Public Schools, the Maryland Stadium Authority, the City of Baltimore, and Maryland's Interagency Committee on School Construction, the mission of the 21st Century School Buildings Plan is to:

- Build future-focused, adaptable, sustainable and high-quality schools that inspire learning and support the educational success of Baltimore City Public Schools students
- Design schools that allow for recreational opportunities for the community, combined with other cooperative uses and school partnership programs
- Manage the costs of school facility operations by closing under-utilized schools, opening new award-winning education programs and implementing improved facilities maintenance operations
- Execute a cost-effective and timely school design and construction program, integrating local hiring and student-based learning opportunities
- Be good stewards of Maryland taxpayer dollars and champions for education, economic development and neighborhood revitalization in the City of Baltimore²

As indicated in the third bullet above, to manage the cost of school facility operations the plan recommends closing 26 under-utilized schools. The closure and surplus of so many schools in Baltimore is a product of population decline. Years of population loss have reduced total enrollment in the district from a peak of around 200,000 in the 1960's to approximately 84,000 today. Despite a relative stabilization of population in recent years, school enrollment remains well below the current building capacity of City Schools, necessitating a reduction in capacity through closures. Charter school enrollment has also impacted the capacity needs of BCPS, but to a lesser degree than population loss. The 21st Century School Buildings Plan will reduce the overall square footage BCPS occupies through consolidation and investment in existing schools.³

Jacobs Report⁴

In the Spring of 2012, City Schools completed a detailed inventory of the inability of many school buildings to adequately support quality instruction and the overall poor condition of the building. This report, commonly known as the Jacobs Report, summarizes the results of the 2011 Facilities Condition Assessment for City Schools. Baltimore City Public Schools owns and maintains approximately 17.5 million square feet of permanent building area. In April 2011, City Schools authorized a comprehensive districtwide assessment of its facilities. The assessment consisted of an enrollment projection review, capacity analysis, an educational adequacy assessment, a building condition assessment, and a review of all site and building systems with a life cycle renewal forecast.

² This section is excerpted from 21st Century Schools website – <http://baltimore21stcenturyschools.org/mission>

³ This section is excerpted from "A Reuse Framework for Surplus School Sites: City of Baltimore" prepared by HR&A Advisors, Inc. as part of The National Resource Network, December 16, 2016.

⁴ This section is excerpted from "State of School Facilities: Baltimore City Public Schools" prepared by Jacobs, June 2012 available online at <http://www.baltimorecityschools.org/cms/lib/MD01001351/Centricity/Domain/8784/PDF/2012June-JacobsReport.pdf>.

The broad objectives of the assessment were to:

- Assess educational adequacy for all instructional spaces districtwide including charters not located in properties owned by City Schools;
- Assess building condition for only those properties owned by City Schools.
- Identify costs to correct building condition in owned facilities and correctable educational adequacy deficiencies districtwide;
- Provide data necessary to maintain facilities in a safe and secure manner; and
- Understand future 10-Year life cycle renewal requirements for the district's existing facility portfolio.

10 Year Plan⁵

In January 2013, the Board of School Commissioners approved the 21st Century Buildings for Our Kids 10 Year Plan. The plan includes

- The data that lay out in detail the poor condition of City Schools' buildings portfolio
- The research on the detrimental effect of bad buildings on student achievement
- The cost to overhaul the district's buildings now, and the negative consequences of delay
- A proposal for financing and managing a \$2.413 billion districtwide buildings overhaul
- The critical role of communities in City Schools' 10-year buildings plan
- The events and factors that aligned to create a unique opportunity to overhaul the district's school buildings now
- A timeline for modernizing all school buildings over 10 years
- The specific recommendations for modernizing each building

One major component of the plan is to align the size of the district with student enrollment projections. The plan identifies specific goals for reducing the number of seats, reducing the number of facilities, and increasing the utilization rate. The plan recommends specific schools to be closed in order to meet those goals. The plan is updated annually in December.

MOU⁶

To clarify roles and expectations regarding implementation of the 21st Century Buildings Plan, there is a Memorandum of Understanding between the four partner organizations involved: Baltimore City Public Schools, City of Baltimore, Interagency Committee on Public School Construction and Maryland Stadium Authority.

Key Understandings of the MOU:

- Advances a beneficial relationship between the parties to the plan
- Authorizes Maryland Stadium Authority to manage the financing for the plan
- Establishes requirements to maximize local and minority Baltimore hiring and to identify student work experiences

⁵ This section is excerpted from "21st Century Buildings for Our Kids: Baltimore City Public Schools' 10 Year Plan" approved by the Board of School Commissioners January 8, 2013 available online at <http://www.baltimorecityschools.org/cms/lib/MD01001351/Centricity/Domain/8784/PDF/2013January-21stCenturyBuildingsForOurKids.pdf>

⁶ This section is excerpted from 21st Century Schools website – <http://baltimore21stcenturyschools.org/about/memorandum-understanding>

- Requires the highest standards for educational facility planning and green building practices
- Provides a framework for schools design that includes space for cooperative uses and city priorities, like recreation, school partners and community-use
- Mandates an improved long-term maintenance program for city schools
- Directs cost-effective goals for maximizing per-student utilization of Baltimore’s school facilities
- Establishes measurement criteria by which the parties will manage and oversee the plan

Exhibit 6 of the MOU identifies expected school building closures. It includes the building name, address, anticipated program closure, swing space utilization, building closure date, and whether bonds are outstanding.

Map of Surplus Schools

The map on the next page depicts the proposed locations of the surplus schools.

INSPIRE

To leverage the nearly billion dollar investment that the 21st Century Buildings Plan will bring to schools and neighborhoods, and to enhance the connection between the schools and the surrounding neighborhoods, the Planning Department launched a new program called INSPIRE. INSPIRE stands for Investing in Neighborhoods and Schools to Promote Improvement, Revitalization, and Excellence.

The INSPIRE planning program focuses on the quarter-mile area surrounding each modernized school that is a part of the 21st Century initiative. Focusing on a limited geographic area will allow plans to include detailed recommendations for specific, implementable public improvements in the quality of life for students, their families, and neighborhood residents. The plans will also articulate the community’s long-term vision for guiding private investment, and address environmental, social, and economic conditions.

To date, INSPIRE plans have been adopted for five schools: Fort Worthington, Frederick, John Eager Howard, Lyndhurst, and Arundel/Cherry Hill. Five additional plans are in progress: Robert Poole/ACCE/Independence, Forest Park/Calvin Rodwell, Patterson, and Arlington. More information and copies of the plans are available on the INSPIRE webpage: <http://planning.baltimorecity.gov/planning-inspire>.

National Resource Network Recommendations⁷

Overview

The City of Baltimore engaged HR&A through the National Resource Network (“NRN”) to assess the City’s existing reuse process, consider best practices, and develop an updated framework for reuse that maximizes the reuse potential of closing school sites. HR&A identified a number of process gaps within the current process that prevent school sites from reaching their full potential for reuse. While there is an existing reuse process in place in Baltimore, stakeholders readily admit that there are flaws with the current model and it is in need of updating. HR&A developed through the following recommendations:

- Recommendation 1: Establish a task force to bring together the various stakeholders involved with reuse in order to oversee the process in a holistic and coordinated manner
- Recommendation 2: Conduct an initial assessment on reuse at each site that informs reuse potential at each site and helps prioritize reuse options
- Recommendation 3: Formalize community engagement within the reuse process to gather resident input and seek buy-in for potential reuse options
- Recommendation 4: Implement a project visioning phase to provide proof of concept for a proposed use and, if applicable, generate interest from private users
- Recommendation 5: Provide a clear reuse track for sites based on their location in strong- mid and weak-market locations and their targeted reuse

Taskforce

The purpose of establishing a School Reuse Task Force is to have an entity that considers school reuse in a holistic and coordinated manner. Despite the interconnectedness of each stage of the reuse process, HR&A identified that there is currently little coordination between the various agencies and organizations. Each agency plays a valuable role at its stage, but no agency looks holistically at the process to guide school reuse from start to finish. From the time a school is initially announced for program closure and surplus until the reuse process is complete, a number of agencies and organizations have a hand in guiding the reuse process and impacting the ultimate outcome. However, no entity is involved throughout the entire process. A School Reuse Task Force would allow agencies to approach reuse through a broader lens that keeps all parties more involved, better informed, and coordinated with one another throughout the entire process.

Coordination among agencies is critical in the reuse process for two reasons. First, coordination through a Task Force provides a forum to strengthen communications among agencies involved in the reuse process. Decisions made along each step of the way impact later stages of the reuse process. For example, if there is no maintenance provided to schools once they are closed, property condition deteriorates and future potential reuse decreases. Through the implementation of a Task Force, agencies have a structured framework within which to communicate with one another and better coordinate actions related to school reuse. When questions do arise related to agency responsibilities, the direction of particular school reuses, or otherwise, they can be brought up directly within the Task Force.

⁷ This section is excerpted from “A Reuse Framework for Surplus School Sites: City of Baltimore” prepared by HR&A Advisors, Inc. as part of The National Resource Network, December 16, 2016.

Second, the creation of a Task Force puts in place a committee that can guide properties through the reuse process and lead efforts intended to enable optimal reuse outcomes. A number of the recommendations in this report require additional research, evaluation, and outreach from the City in order to make more informed decisions about school reuse. A Task Force provides an optimal vehicle for leading these efforts.

Coordination through Task Forces has been an effective tool for other Cities facing the challenge of school reuse. When undertaking redevelopment of a number of closed school sites, the City of Atlanta organized a “repurposing committee” for each site made up of school officials, city planners, and local community organizations. Through the committee, private entities interested in reusing school sites presented their potential development plans with all agencies involved as well as local residents. Although no outcomes of the meeting were binding, it allowed all involved parties in the reuse process to communicate with one another and play an active role in the redevelopment process. School reuse committees have also been used effectively in Washington, DC, Kansas City, and Detroit.

Market Assessment

An initial assessment will inform the Task Force of the potential for reuse that exists at each site and establish criteria under which to consider and prioritize reuse. HR&A recommends the implementation of an initial assessment to build a foundation of information with which to undertake the reuse process. With full knowledge of site characteristics, real estate market conditions, and city priorities, appropriate reuses can be evaluated. A better understanding of reuse potential and goals will allow for more informed reuse decisions and place properties in a stronger position for success at later stages of the process. Additionally, a formalized evaluation process will help ensure that reuse opportunities are evaluated in a consistent manner across all sites. HR&A envisions four components that together will provide a thorough context on reuse potential, including the assessment of:

- Property condition
- Market research
- Community needs and priorities
- Citywide context

PROPERTY CONDITION

Assessment of redevelopment potential of a site begins with the site itself. Before new uses can be considered, the City must first understand site and building conditions of the property to be reused. The Jacobs report includes information such as functional capacity, utilization, needed repairs cost, and the estimated replacement cost. Though the report is dated, it is useful as a starting point in evaluating building conditions.

In addition to understanding general property conditions, it is also important to identify any site characteristics or conditions that may limit future development in some way. For example, if a building has historical significance that will require it to be preserved in some way, this should be noted. Additionally, potential environmental remediation issues, if they exist at any site, should be identified. Any estimated costs to new potential uses associated with these conditions should be noted.

Lastly, with regard to school facilities, there are a number of school properties that still carry outstanding debt related to construction or renovation of facilities. When planning for reuse, the debt carried by properties, its impact on development, and its potential impact on City finances must all be identified and understood.

MARKET RESEARCH

The second component of the initial assessment for school reuse is market research on real estate development conditions, the purpose of which is to provide a baseline understanding of private development potential and the feasibility of new development on a site. The potential for private redevelopment will vary widely across different areas of Baltimore. Some locations will be very attractive to real estate developers while other locations will face challenges in generating development interest. By understanding the feasibility of development of reuse sites, the City can better position sites for reuse by tailoring the reuse strategy for each site and focusing available resources in a more efficient manner.

For each sector of development under consideration for reuse, the assessment of market conditions should include the following for the development submarket:

- Demographic and economic data
- Current rents or sale prices for new development
- Vacancy of properties
- Summary of recently completed development projects
- Projected supply and demand for new development

Based on the assessment of market conditions, each site should be categorized as a strong, moderate, or weak market for private development. Rather than issue RFP's for all sites in hopes of attracting private development, the reuse approach should be tailored based on what is appropriate for each site. We recommend the following approaches for properties in each category:

- Strong market potential sites: Sites categorized as strong market locations will be well-suited to attract private development interest and should be prioritized for private reuse. These are sites most likely to be successful in disposition and redevelopment through the standard RFP process.
- Moderate market potential sites: Sites categorized as moderate market locations have potential to attract private investment, but face some additional challenges such as poor building condition. These sites may be prioritized for private reuse through the RFP process, but will likely require additional support through available tools such as tax abatements to position the site for successful disposition. The Task Force should conduct research and work closely with potential users to determine what type of support would be needed to make redevelopment feasible.
- Weak market potential sites: Sites categorized as weak market locations will have difficulty attracting private uses without significant incentive or subsidy. For these sites, the focus for reuse should not be dependent on private investment unless incentives to make development feasible are available. Non-private uses such as public agency use, nonprofit use, or other alternatives should be prioritized. Alternatively, if no viable public or nonprofit user is identified, or these users lack the financial capacity to cover operating and maintenance costs for the property, demolition of the structure should be prioritized.

COMMUNITY NEEDS AND PRIORITIES

In addition to private redevelopment feasibility, initial assessment for school reuse should also include an evaluation of community needs and priorities. Schools often function as a center of community activity and an institutional anchor in their neighborhood. This is particularly true in neighborhoods that lack additional anchors or community assets. The closing of school programs can place additional challenges on neighborhoods that view the loss of their local school as the loss of their strongest community asset. In the same way that the INSPIRE program seeks to leverage investment in new schools to build stronger communities, the reuse of school properties should also seek to leverage any potential investment in a property to strengthen the site's role as an anchor to surrounding neighborhoods. To best understand how new uses can be most beneficial to surrounding community, HR&A recommends that the City evaluate community needs and redevelopment priorities.

CITYWIDE CONTEXT

Lastly, the City should also evaluate and consider the reuse of school sites in a citywide context by identifying citywide needs, assessing public agency space needs, and considering the location of properties relative to one another when prioritizing particular uses. HR&A recommends that the City consider how citywide goals can be supported through school reuse. These include goals laid out in reports such as the Comprehensive Economic Development Strategy report as well as internal operations of the City and spaces needs of various public agencies.

Additionally, HR&A recommends that the City consider the entire portfolio of available school properties, as well as other City-owned properties, when prioritizing particular reuses. As surplus schools become part of the City's property portfolio, the City should be strategic in considering the potential of school sites in relation to the entire portfolio. Based on needs identified by the City, one location may be better suited for a particular reuse than another. For example, it may be effective to move a city office from a strong market location to a weaker market school site in order to maximize investment and value in both locations. The location receiving the relocated office realizes benefit in the form of new offices and workers that could potentially help catalyze investment in the area. At the same time, the stronger market location is opened to potential private investment, optimizing value to the City.

Considerations for prioritization will change based on the reuse under consideration and from location to location. Site factors (property size, school design/condition, location in commercial or residential areas, etc.) as well as broader market factors (population growth, demand for housing, office, commercial, or other use, etc.) will impact the market potential of a site and marketability will vary dramatically from one school site to another. The ultimate decision and recommendation of which location is best suited for a particular use will depend on an evaluation of all information available to assess the benefits and drawbacks of each option.

Community Engagement

Community engagement is a critical component of the redevelopment process, not only to gather community input on reuse but also to get buy-in for an eventual reuse or redevelopment plan. Engagement is beneficial in both helping neighborhood residents come to terms with the closure of school programs as well as moving beyond the closure to help determine a reuse that positively impacts the neighborhood. The goal of conducting community engagement is to

gather input on community goals, address potential community concerns surrounding reuse, and gain community support. Community engagement should include outreach to the following groups:

- Local stakeholders
- Local institutional entities and neighborhood “champions”
- Neighborhood residents
- Local elected officials

Project Visioning

Project visioning provides an opportunity to evaluate and test a proposed concept and ensure a site is positioned for success when a reuse decision is made. Development of a vision for a site will be based on information gathered during the initial assessment and community outreach phases, allowing for the development of a reuse concept that is likely to be financially feasible and have community support. If a project is not financially feasible, the visioning should also identify the financing tools or incentive programs that could be used to make the project feasible.

Project visioning can take several different forms depending on the targeted reuse of a site, perceived feasibility of that use, and general interest in a site. This phase of the reuse process may include a very high-level financial analysis to prove financial feasibility, development of a site concept plan to show property potential, or discussions with developers or other users to gauge interest in a property.

Project visioning can also be used as a tool to generate interest among potential new users. Project visioning validates a possible development program and provides proof-of-concept to potential new users that a project is financially feasible. By developing a proposed concept for reuse that is market tested and has community and City support, the Task Force makes the case for reuse and helps to reduce perceived risk that may otherwise prevent private investment in a property.

Clear Reuse Track

Based on the analysis done for each vacant school site, the City should be well-positioned to determine the optimal strategy for building reuse. Each school site faces unique challenges and opportunities related to reuse. Some sites will generate significant private investment interest while others struggle. Similarly, some sites will have buildings conducive to reuse by City agencies while other sites contain functionally obsolete buildings. As a result, the City cannot apply a one-size-fits-all approach to school reuse. Using information gathered during the initial assessment, community engagement, and project visioning phases, the City should have a well-developed understanding of the reuse potential for vacant school sites.

With a firm grasp on reuse potential, the School Reuse Task Force should recommend a targeted reuse as well as a reuse track geared toward the targeted reuse. Reuse tracks include:

- Private reuse – Disposition
- Private reuse – Lease
- Public reuse
- Demolition and interim use

Reuse Process

Surplus Schools Process

All planned program closures that are part of the 21st Century Schools Initiative were announced in 2013, along with a planned date of closure between 2013 and 2024. Each December, BCPS reviews its 10-year enrollment projections report and makes recommendations for revisions to the program closure schedule, if needed, based on evolving needs of the School District. For example, BCPS may add or remove a school from the planned program closure list if the existing plan no longer makes sense given current needs or conditions. While this is not common, it can occur. Also, in December of each year, BCPS finalizes school program closures for that academic year. Though closures that are tied to the 21st Century Schools Initiative have a tentative date of closure years in advance, the date is subject to change dependent on construction schedules for new schools and other factors impacting the ability to close a facility. Because of this, the closure of a school program is not finalized until the December of its last year in operation. After program closure, some schools function as “swing space” for other schools. In these cases, students are moved to a temporary swing space while their permanent school is being built or renovated. After construction on their permanent school is complete, they move out of the swing space and into the permanent school. At this point, the swing space school can either be used as a swing space for another school or be permanently closed and begin the process of surplus and shifting site control to the City.

Before site control of a school can be turned over to the City, the Board of Public Works, a State Agency, must approve the surplus of the site and that it will no longer be used as an educational facility. After BCPS has received approval from the State, it can officially declare the property surplus. Once a property is declared surplus, the City officially begins its process of identifying a responsible agency for the site. The property is assigned to an agency for use or disposition through the Space Utilization Committee. Per the City Charter, the Space Utilization Committee, chaired by the Comptroller’s Real Estate Office, is responsible for assigning properties to the appropriate agencies.

Taskforce

As recommended by the National Resource Network, in January of 2017 the City convened an inter-agency taskforce to help guide and inform the process of surplus schools. The Taskforce includes representatives from Planning, Real Estate, City Schools, General Services, Housing and Community Development, Baltimore Development Corporation, Recreation and Parks, Risk Management, Law, Finance, the Mayor’s Office and the Council President’s Office. Members of the taskforce have worked collaboratively to share information about concerns and opportunities related to surplus schools, conduct stakeholder engagement, gather and disseminate information, respond to inquiries and legislation related to surplus schools, etc. Updates are provided at the quarterly Coordinating Committee meetings required in the MOU so that partners are kept up-to-date

In six months, much has been accomplished by the Taskforce. Specifically, after reviewing the NRN recommendations, the group toured each school site scheduled for surplus and began identifying each school’s strengths, weaknesses, and potential reuse opportunities. The City has

also started to explore the potential for City agencies to relocate to surplus schools. The Task force has reached out to agencies regarding historic preservation issues and proper management of any public art that may be located at the sites. They have also worked with the artists housing taskforce, brokers and developers to learn more about potential reuse options.

Recognizing that transparency and predictability are keys to the success of each reuse, the Taskforce identified the status or proposed schedule for each surplus school site (see Schools section). Further, they have developed a website, <http://planning.baltimorecity.gov/surplus-schools>, that will be expanded over time. In the next few weeks, notes from the initial stakeholder engagement for Samuel Morse and Northwestern HS will be posted. Approximately 70 people attended the initial engagement for Samuel Morse and 300 for Northwestern HS.

The Taskforce will continue to serve as a clearinghouse for sharing information and exploring reuse options. In addition, they are likely to be key advocates for needed public and private resources to make site re-use more feasible.

The official process for disposing of City property is laid out in the Charter. The Space Utilization Committee assigns disposition authority to a City agency. The taskforce is providing an important opportunity for inter-agency collaboration on potential reuse options **prior** to the assignment of agency responsibility by the Space Utilization Committee.

Stakeholder Engagement

The City is committed to conducting stakeholder engagement so that the City (and any potential future users of the facilities) can understand community desires and concerns. This might include desires and concerns about uses, the site, or access. Stakeholders may identify particular uses that they would like to see in their neighborhood that are not currently available elsewhere. The City will gather and document stakeholder desires and concerns and make them available to prospective developers to set the stage for redevelopment. In addition to making the information available when the property is offered, the City can reach out to organizations that do the desired types of development or provide the desired types of services to see if they are interested in the property. Stakeholders may also identify features of the building or the site that they would like to see continue to be available to the public, such as open spaces or assembly spaces, even if the site is developed for private use. Preference can be given to proposals that respond to community desires and concerns.

While the City is committed to stakeholder engagement, for a reuse to come to fruition, an appropriate organization must have both the interest and capacity to improve the building and operate the facility and programs. The process does not provide a guarantee that stakeholder desires can be filled, but an opportunity for desires to be shared, known, and considered by potential building users.

Market Assessment

After the initial stakeholder engagement, the City will prepare a market assessment. The assessment will identify the market potential for uses identified as priorities by stakeholders, as well as other potential uses. The market assessment will be prepared by Baltimore Development Corporation using demographic, workforce, health and safety, and market data. The assessment will include an evaluation of housing, office, commercial/industrial, community

use, and/or demolition. The assessment will be presented to stakeholders as part of the engagement process.

Reuse Path

Based on the stakeholder engagement, market assessment, and expressions of interest in the property, the City will determine the appropriate re-use path for each property. In many cases, the property will be offered for sale through a request for proposals by Baltimore Housing or Baltimore Development Corporation. Other properties may be re-used directly by City agencies, other government entities, or have other special re-use considerations. As discussed in the National Resource Network recommendations, based on the market conditions of the property, properties in weaker markets may need a different approach. This approach might be offering the property with subsidy, demolishing the building and offering a cleared site, demolishing the building and creating open space, leasing the property, etc. If the initial re-use path identified for a property is not successful in identifying a long term viable re-use for the property, another re-use path will be identified.

Reuse Opportunities

City agency

Some buildings may be utilized for the operation of City agencies. The Department of General Services works with agencies regarding their space needs and helps agencies identify potential real estate for their space needs. Agencies may relocate to surplus schools because they have outgrown their current space or added new programs that the City needs to find a location for. In some cases, agencies may be currently renting space and find there is an opportunity to relocate to a surplus school to eliminate the cost of leasing space. There is also an opportunity to relocate City agencies that are currently located in real estate with a high market value into surplus schools, allowing the City to sell the real estate previously occupied by the agency. Surplus schools that are used by City agencies will continue to serve as an employment hub and anchor within the neighborhood. Having a critical mass of employees provides an economic development opportunity for the neighborhood to attract additional retail and services.

Other government use

While City government agencies are more likely occupants of the buildings, State and Federal agencies may also utilize the surplus schools. The City frequently works with State and Federal agencies to identify locations for their operations. These agencies are typically looking for large, multi-acre parcels, which makes surplus schools potentially good candidates for their space needs. Similar to local government use, surplus schools that are used by state or federal agencies will generate a critical mass of employees that provide an economic development opportunity for the neighborhood to attract additional retail and services.

Private re-use of building (sale or lease)

Many of the buildings will be sold or leased for private re-use. School buildings can often be repurposed for residential or office uses. Examples of different types of uses are provided in the National Resource Network Profile of Uses section below. The City would prefer to sell the buildings rather than lease them, where feasible. Leasing the buildings requires continued property management by the City, and in many cases significant costs related to capital and operating expenses for the buildings. As discussed in the next section regarding reuse challenges, these costs are a tremendous challenge for the City. Furthermore, if sold, these properties could contribute to the City's tax base. Due to the large number of buildings that are owned by the public and non-profit sectors, approximately 1/3 of the properties in Baltimore currently do not contribute to the City's tax base.

Shared use

School buildings are often larger than the typical building in most neighborhoods. Therefore, in some cases, the entire building can't be re-used for a single purpose or by a single entity. Multiple uses might share the building and grounds, including the possibility for a mix of private re-uses and public access. Ideally, even when the building is shared, there will be a primary user who assumes management of the building and makes arrangements for other users to access the building and contribute financially as appropriate. The City would prefer not to serve as the property manager, but could bring partners together to help establish this arrangement.

Demolition (open space or new construction)⁸

In some cases, there will be no viable use for a vacant school building. The lack of a viable use for a site may be due to a building design unsuitable for alternative uses, building condition that is too poor to justify repair, market conditions that simply don't support private reuse on a site, inability of potential leases to cover basic operations and maintenance costs, or another prohibitive characteristic. In these cases, demolition offers an alternative to a vacant building.

Demolition can be an optimal alternative for several reasons. First, it removes a vacant property from the building stock and prevents it from becoming a blighted eyesore to the surrounding community. A cleared site that is blight free will make the area look more attractive and better position it for future redevelopment. Additionally, demolition stops spending on operations and maintenance costs for the vacant structure. Lastly, demolition reduces potential liability the City faces with regard to vacant properties, which are often subject to vandalism and illicit activity.

National Resource Network Profiles of Uses⁹

Reuse options for school properties are wide ranging. New uses vary from common uses such as multifamily apartments or city agency offices to less common uses such as police stations or business incubator space. Some new uses take advantage of existing structures through adaptive reuse while others rely on new construction. To highlight the various possible redevelopment options for school sites, the following pages include profiles of possible school reuse options. The profiles incorporate information on typical building characteristics, required market conditions, and financing tools available to make development more financially feasible. Additionally, profiles include "proof of concept" examples of successful school redevelopments in other cities.

⁸ This section is excerpted from "A Reuse Framework for Surplus School Sites: City of Baltimore" prepared by HR&A Advisors, Inc. as part of The National Resource Network, December 16, 2016.

⁹ This section is excerpted from "A Reuse Framework for Surplus School Sites: City of Baltimore" prepared by HR&A Advisors, Inc. as part of The National Resource Network, December 16, 2016.

Reuse Challenges¹⁰

Carrying Costs

School closures pose a challenge to the City of Baltimore, which faces a significant financial burden related to the carrying costs associated with the wave of planned closures. As school programs close and properties are surplus by BCPS to become part of the City's inventory, the City will be responsible for all costs associated with the properties. These costs include, but are not limited to, security, maintenance, debt service, demolition costs, and the need to provide incentives or subsidies to encourage reuse. Regardless of the speed with which the City is able to determine new uses for school sites through a lease, sale, or transfer, each property will require significant financial support. For most properties planned for closure, any value to be gained through disposition will be less than the carrying costs of the properties. Due to the large number of facilities scheduled for closure and surplus over a relatively short timeframe, the magnitude of costs will be far greater to the City than previous school closures.

Condition/design of buildings

Most surplus school buildings are functionally obsolete and require major renovations or retrofits for new uses. In many cases, the building design is not conducive for other uses. In other cases, large scale renovations are required to accommodate a new use.

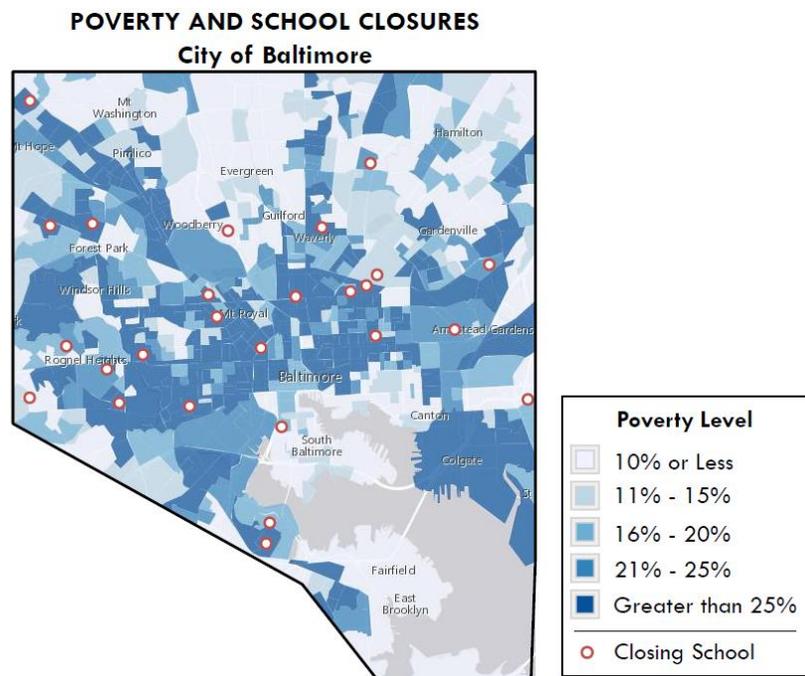
On average, \$9.6 million (in 2011 dollars) is required to renovate/modernize the facilities. This does not include the additional cost to convert to a new use.

Market conditions

Surplus schools are located overwhelmingly in economically challenging locations. As shown on the map to the right, a majority of the buildings are located in areas with more than 25% poverty. Market demand for re-use of the buildings is likely to be limited for many of the sites.

Volume of buildings

The scale of planned school closures set to occur through 2024 represents 16% of existing schools in Baltimore. Finding re-uses for so many buildings in such a relatively short time period will exacerbate market challenges.



¹⁰ This section is excerpted from "A Reuse Framework for Surplus School Sites: City of Baltimore" prepared by HR&A Advisors, Inc. as part of The National Resource Network, December 16, 2016.

Debt

Many of the school facilities planned for closure carry outstanding State and/or City debt which require repayment. State debt exceeds \$10m and total debt exceeds \$20m for the schools identified to be surplussed. Larger schools, such as Northwestern HS, typically have larger debts – nearly three million dollars in State debt and more than a million dollars in City debt. However, even smaller schools, such as Westside Elem, have more than a million dollars in State debt and more than hundred thousand dollars in City debt.

Schools

Building Surplus Year ¹	Building Name	Status as of August 1, 2017	Stakeholder Engagement & Analysis ²
2013	Laurence G. Paquin Building	Possible City agency or charter school interest	
2014	Corps Building	City disposed of property to HABC in 2015.	
2014	Waverly Career Center Building	Previously offered, but didn't move forward. Exploring again.	Summer/Fall 2017
2015	Langston Hughes ES	Reviewing unsolicited proposal	
2015	William Pinderhughes Building	Possible City agency or non-profit interest	
2015	Dr. Rayner Browne PK-8	Submitted to State for Project CORE demolition	
2015	Independence School Local 1 Charter HS	Site incorporated into the Robert Poole campus renovations	
2017	Samuel F. B. Morse ES	Rec and Parks operating summer camp during Summer 2017	Summer/Fall 2017
2018	Patapsco PK-8	To be demolished and developed as fields for rec center	
2018	Westside ES	Swing space	Fall 2017/Winter 2018
2018	Rognel Heights PK-8	Program still operating	Fall 2017/Winter 2018
2018	Dr. Carter Godwin Woodson PK-8	Program still operating	Fall 2017/Winter 2018
2019	Northwestern HS	Swing space	Summer/Fall 2017
2019	Lake Clifton Building	Program still operating	Fall 2018/Winter 2019
2019	Southeast Building	Program still operating	Fall 2018/Winter 2019
2019	Lois T. Murray Special Ed. PK-8	Program still operating	Fall 2018/Winter 2019
2019	Guilford PK-8	Program still operating	Fall 2018/Winter 2019
2019	Claremont Special Ed. HS	Program still operating	Fall 2018/Winter 2019
2020	Sarah M. Roach ES	Program still operating	Fall 2019/Winter 2020
2020	Alexander Hamilton ES	Program still operating	Fall 2019/Winter 2020
2020	Sharp-Leadenhall Special Ed. ES	Program still operating	Fall 2019/Winter 2020
2021	Chinquapin Building	Charter school	Fall 2019/Winter 2020
2023	Garrison Middle	Swing space	Fall 2021/Winter 2022
2023	Thurgood Marshall Building	Program still operating	Fall 2021/Winter 2022
2024	West Baltimore Building	Swing space	Fall 2022/Winter 2023
2024	William C. March Building	To be demolished and become part of Harford Heights campus	

1. Subject to change

2. Will change based on changes to surplus year. Will not begin before school board vote to close program.

