

The review included three major steps: demographic projections, building capacity, and specific program evaluation.

The initial step was to evaluate the potential for future student population growth in the city. The approach used was the same as was used in summer 2006 for closure decisions. The city was divided into six areas, and potential growth was evaluated for each, using data from the Puget Sound Regional Council and projections through 2030. The projections show that student population is expected to grow in the Northeast, Northwest and Queen Anne/Magnolia areas, and is expected to fall or stay flat in the Central, Southeast and Southwest areas.

The second step was to look at capacity of individual buildings, both the closed and interim sites, and potential additions which might occur as a result of the Building Excellence Program over the period through 2030 (where additions could increase the school capacity on some sites). The needed for interim sites (to house school programs while the school is being rebuilt) and an emergency site (for a catastrophic failure of a building such as through fire or earthquake) was also evaluated. This established a preliminary list of buildings needed to meet the growth.

The third step was to look at selected program needs in each area that might affect the preliminary analysis. This included the possibility that the future home of the Secondary Bilingual Orientation Center might be at McDonald. The decision to use the Columbia School as the interim site for the New School while South Shore is rebuilt was also incorporated, as was the decision to delay closure of John Marshall. The report also includes an assessment of the uncertainties in growth patterns, i.e., the projections might be wrong and the District needs to retain capacity to address possible changes. This resulted in a decision to keep the Rainier View building (except for some of the excess land at the site), because it would be difficult to meet unexpected growth in that relatively isolated end of the District.

The result is that the following buildings are recommended for surplus status:

Allen (Phinney Ridge)	University Heights
Crown Hill	Webster
Fauntleroy	

All five of these schools were closed in the early 1980's and have not been used by the District since that time. They generate about \$300,000 in annual rental income.

A School Board work session was held to discuss the recommendations. School Board members asked if the recommendations would change if lower student/teacher ratios were used. Analysis indicates that a reduction of 3 students per classroom (over a 10% reduction, putting Seattle Schools in line with the 50th percentile nationally) would not change the recommendations except for Crown Hill in the Northwest area of the city. In that area, the resulting shortfall would be approximately 180 seats. However, this could be met with 9 portables distributed throughout the northwest area.

School Board members also asked staff to investigate and report to the Board regarding procedures for renting out empty buildings that will not be sold, including offering credit for tenants that provide K-12 educational programs. This will be done separately from the decision of which buildings to declare surplus.

FISCAL IMPACT

Sale of an individual site could bring in from \$2 million to \$10 million or more, depending on the location and zoning and historic status of the property. Formal appraisals have not been obtained for any of the sites. (Note: Sale may take from several months to more than a year, depending on the terms and any impediments individual sites may have to a sale. A formal appraisal, as well as a public hearing, will be necessary prior to any sale.)

Sale of a site will also reduce costs to the District of holding the properties, where they are not currently leased out on terms requiring the tenant to maintain the property.

Options	Pros & Cons of Each	Fiscal Impact & Revenue Source
<p>1. Adopt the recommendations of the Report for all 19 sites.</p>	<p>Advantages:</p> <ul style="list-style-type: none"> ▪ Keeps all school in inventory except five schools that were closed in the early 1980’s; retains flexibility for District to meet future growth ▪ Raises substantial funds from property that does not currently generate much revenue. <p>Disadvantages:</p> <ul style="list-style-type: none"> ▪ Does not maximize cash proceeds from property not currently in use. 	<p>Sale of five buildings could raise from \$10-30 million over the next several years. Current revenues from those buildings of about \$300,000 annually would be lost.</p>
<p>2. Reject all recommendations. Keep all properties in inventory.</p>	<p>Advantages:</p> <ul style="list-style-type: none"> ▪ Retains maximum ability to meet future growth <p>Disadvantages:</p> <ul style="list-style-type: none"> ▪ Keeps assets which are under-performing and have not been needed in the last 25 years and are highly unlikely to be needed in the next 25 years. 	<p>Continue to receive about \$300,000 in revenues annually. No cash proceeds from sale.</p>
<p>3. Adopt some recommendations and</p>	<p>Advantages:</p> <ul style="list-style-type: none"> ▪ Unknown 	<p>Depending on the</p>

<p>reject others. This option could have a large number of permutations, depending on the buildings involved.</p>	<p>Disadvantages:</p> <ul style="list-style-type: none"> ▪ Unknown ▪ 	<p>school kept or closed, the amount of cash proceeds not realized could be from \$2-10 million, and rental revenue lost could be about \$60,000 annually.</p>
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If the recommendation is adopted, the District will proceed to market each of the surplus properties. All five of these buildings currently have a long term tenant. The School Board Executive Committee directed that provisions be included in the Facilities Master Plan setting out the procedure to be followed to permit the tenants an ample opportunity to acquire the building, should they desire to do so. The following text will be incorporated into the Facilities Master Plan:

All five of these buildings will be offered to the tenant for purchase or long term lease at market value, as determined by an appraisal. Each tenant that responds affirmatively will be allowed a year to make a determination that it desires to acquire the property and reach an agreement with the District to do so. Portions of sites at Fauntleroy, Webster and Crown Hill which are currently used as parks or playgrounds or are not currently used by the tenants should be offered to the City for acquisition. The sale may be for cash or on terms acceptable to the District (Note: Closing of the transaction and exchange of money and title may not occur within the first year, because it may take an extended period for the tenant to raise funds for that to occur).

Inventoried buildings will either be kept in ready status (particularly the interim sites and emergency site), or leased out for periods consistent with the District’s needs (three buildings are currently leased and the existing tenants are expected to remain). The term of any leases will be tailored to the need for the specific site and will not be longer than 10 years without Board approval. The staff will develop and present to the Board a proposal for rental procedures for these buildings.

CONCLUSION

Designation of several sites for non-essential (surplus) status and subsequent marketing is consistent with sound management practices and does not affect the District's ability to achieve its academic functions. Approval of the Surplus and Inventory designations for each of the 19 buildings is recommended.

ATTACHMENT

[List of Buildings](#)
[Revision to Facilities Master Plan, Chapter 3](#)