

# DPS Facility Supply/Demand & Disposition Analysis

## Board of Education Update- *Vacant Land and Non-School Facilities*

May 13, 2009

# Overview & Context

- DPS currently has 12 vacant school facilities, 1 vacant administrative facility, 3 vacant land properties and several currently-used facilities that are likely not being put to their highest-and-best use.
- We are also experiencing elementary school overcrowding issue in some areas of the city.
- In 2008, we engaged the Urban Land Institute (ULI) to review a number of our properties:
  - ULI Colorado issued a report in Summer 2008 after gathering community input and conducting market analysis – the report provided recommendations on disposition for 12 properties, including some currently used facilities.
  - ULI report did not provide analysis on the 8 recently closed schools.
  - The report assumed all facilities were not needed as school facilities, and made recommendations on that basis.
  - No action was taken on ULI recommendations at the time of the report in part because it was not clear which properties were in fact surplus
- The recommendations and analysis presented at the April 13 work session of the Board examined the 12 vacant school facilities
- This analysis focuses on 3 vacant land properties and one vacant non-school facility; analysis also considers remaining facilities considered in ULI analysis
- For methodology and overview of demographic trends in Denver, refer to April recommendations to Board, located at: <http://communications.dpsk12.org/initiatives/asset-utilization/>

# Overview of vacant non-school facilities in disposition analysis

Property	sq. footage/acreage	ULI Recommendation May 2008	Current Use
<b>Vacant Land</b>			
Place Vacant Land	463,069 sq. ft/ 10.63 acres	Sell immediately for market value	Vacant
Platte Valley Vacant Land	180,689 sq. ft/ 4.15 acres	Hold 3-5 Years	Vacant
Glenbrook Vacant Land	531,432 sq. ft/ 12.2 acres	Sell for market value	Vacant
<b>Currently Vacant Admin Properties</b>			
Northeast Bus Terminal (Old)	44,533 sq. ft. (building); 574,987 sq. ft./13.2 acres (site)	Sell immediately	Vacant

- In April, recommendations were made to the board regarding 12 vacant or soon to be vacant school buildings (for recommendations regarding those schools, see Appendix 1).
- Vacant land should be analyzed through similar prism as school facilities: is asset likely to be needed as a school in the future?
- Bus Terminal is not useable as a school, due to site location in industrial corridor and environmental issues.
- Other properties considered in the ULI analysis that were not considered in either this set of recommendations or the previous recommendations in April were: Contemporary Learning Academy, Emily Griffith Opportunity School, Central Administration Building (900 Grant) and Fox Street Administration building.
- These properties are not considered in this analysis because they are not vacant facilities: other arrangements would have to be made for DPS personnel before properties could be acted upon.
- Current administrative functions are dispersed; priority in the next 12 months to identify opportunities for consolidation of administrative facilities.

# Property Recommendations Summary

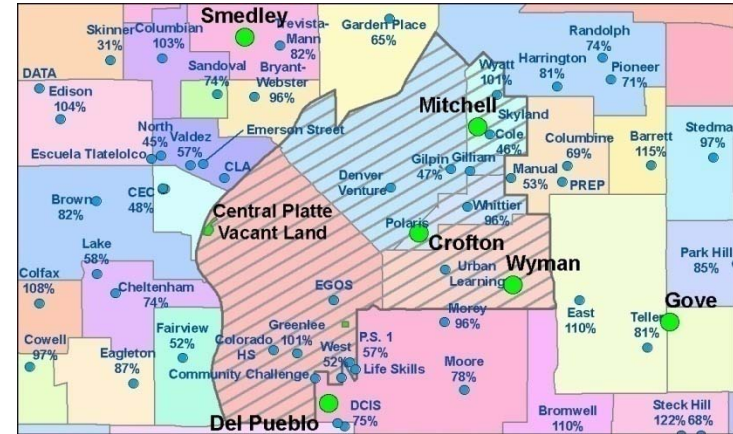
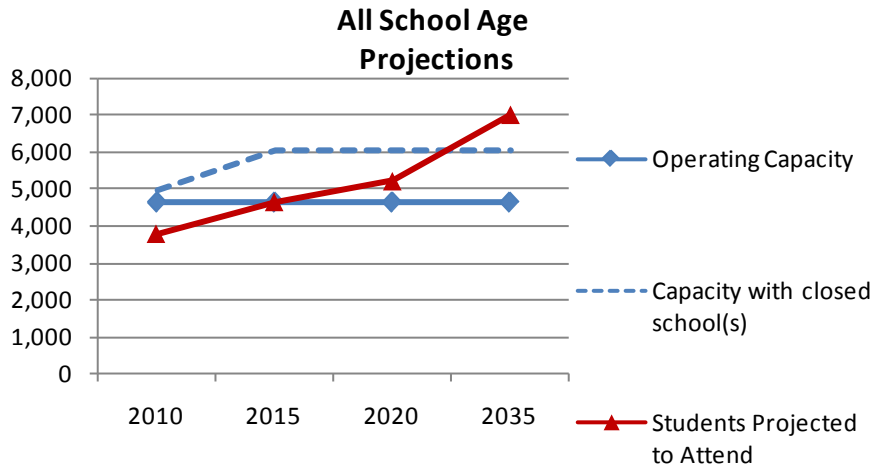
Hold for possible future use/development/sale	Do not need – engage in disposal process
<p><b>Central Platte Valley Vacant Land</b>  <b>Glenbrook Vacant Land</b>  <b>Place Vacant Land</b></p>	<p><b>Northeast Bus Terminal</b></p>

- In all cases where disposal is an option, district will entertain offers for market value and hold properties if floor values cannot be obtained.
- Consideration of disposal of currently-occupied administrative facilities (Fox St and 900 Grant) will be addressed with comprehensive administrative solution.

## Priority of actions related to DPS property portfolio

- Over 12-24 months, we will pursue actions to better utilize the district's property portfolio. Implementation of recommendations will occur following approvals from the Superintendent and Board of Education:
- We will pursue these priority actions:
  - Pending Board approval in June and market conditions, execute disposition of 4 assets (Byers, Gove, Remington, and Old NE Bus Terminal)
  - Identify and execute on solutions to administrative space constraints (goal is for solution to be cost neutral)
  - Evaluate and seek attractive opportunities for interim use of certain facilities by internal/external organization(s)

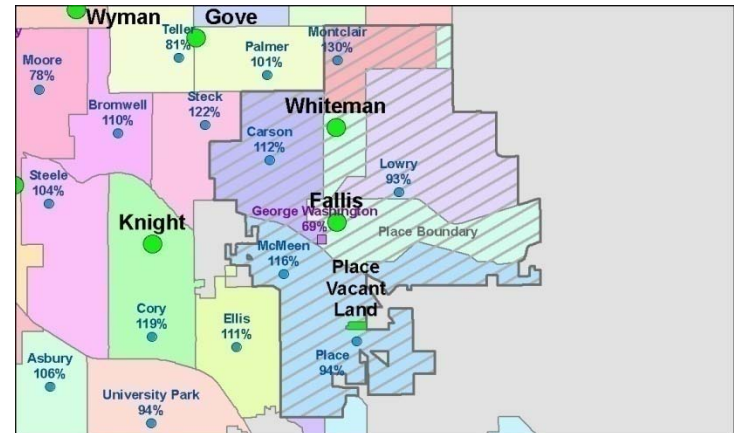
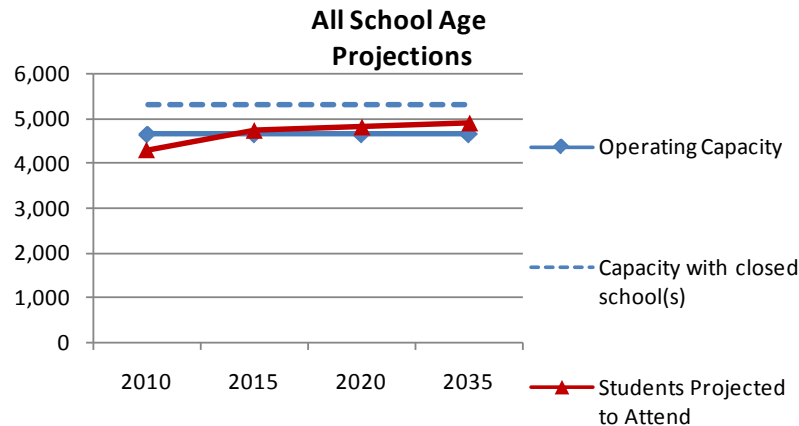
# North Central Area Central Platte Vacant Land: Hold



- All school age students considered here, assuming vacant land could be utilized to build any type of school.
- Land situated next to Children’s Museum, adjacent to I-25, a small parcel and not ideally situated for a school facility.
- Area expected to experience high population growth rates over next 10 years – **31%**, or nearly 3% per year, indicating need for caution in disposition of significant assets in this area. Additionally, several assets in area are currently serving district intermediate uses.
- Despite current excess capacity, strategic location of land suggests need to hold land in the near term (as recommended by ULI) while dispositions and needs of other available properties in the region are determined.
- See Appendix 2 for details; note that alternative schools and schools in non-DPS facilities do not have utilization numbers assigned.

# Central/East Area

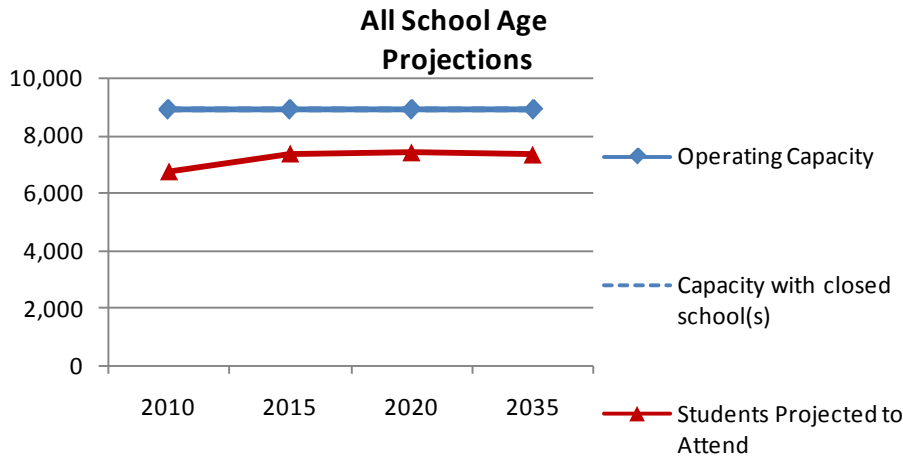
## Place Vacant Land: Hold for potential future development or sale



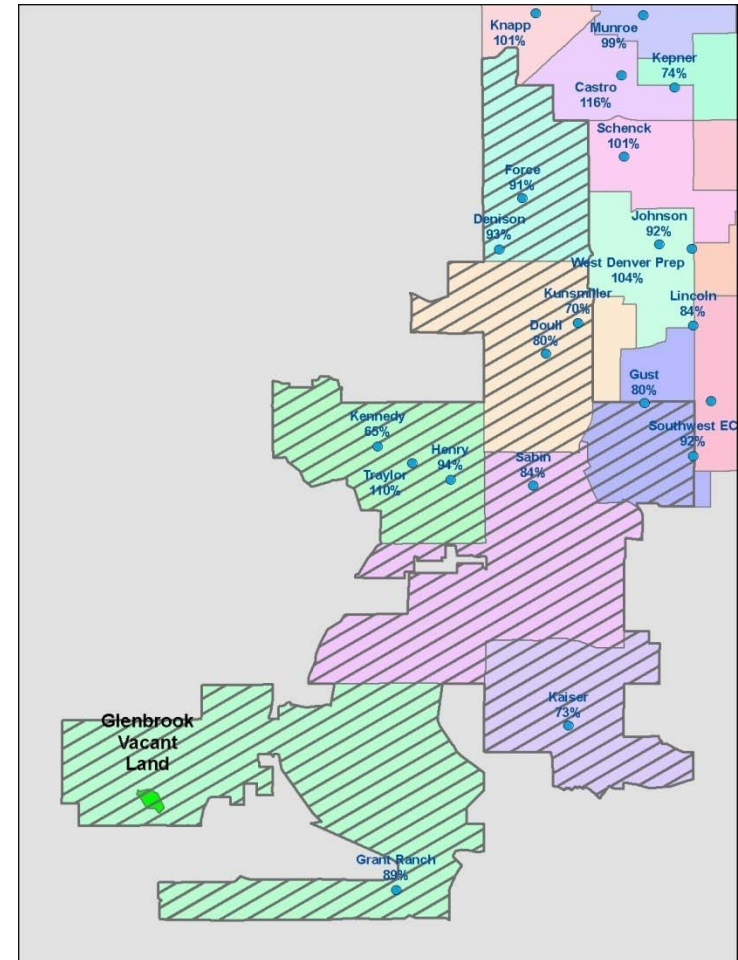
- All school age students considered here, assuming vacant land could be utilized to build any type of school.
- A large student population base, elementary schools at capacity, and average student age population growth indicate need to add capacity in near term and hold excess capacity for future use.
- Whiteman and Fallis in consideration area – total of 680 seats of closed capacity, sufficient capacity to meet growing demand.
- 57% of elementary age residents in area attend a DPS school; only 42% attend a DPS school located in the area.
- Given low capture rate of students, recommend holding property for potential future development with strong offerings.
- Carrying cost of vacant land is very low – recommend revisiting analysis following decisions this fall to address Central/East capacity constraints for the 2010-11 school year, or if attractive market opportunities become available.
- See Appendix 3 for details.

# Southwest Area

## Glenbrook Vacant Land: Hold for potential future development or sale



- All school age students considered here, assuming vacant land could be utilized to build any type of school.
- Population growth in area to 2020 expected to be 4%, lowest in city.
- Significant excess capacity exists at middle and high school levels, elementary school utilization rate, while high, is one of lowest in the city (roughly 89%).
- If additional capacity is needed in area, Grant Ranch school designed to allow for future addition of a second floor, which would add approximately 200-300 seats of elementary capacity to area.
- In 2008-09, only 60% of the school age residents who live in area attend a DPS school; only 47% of school age residents attend a DPS school located in area (likely to increase in 2010 with addition of West Denver Prep and Kunsmiller Creative Arts Academy – 900 students enrolled, reflected on map).
- Given very low capture rate of students in area, proximity to JeffCo and low carrying cost of property, recommend holding land at this time.
- Revisit if attractive market opportunities become available.
- See Appendix 4 for details.



# Old Northeast Bus Terminal: Pursue Disposal

Disposition recommendation follows ULI recommendation from May of 2008

- Old Northeast Bus Terminal (located on 47<sup>th</sup> and Brighton) became vacant when the transportation moved into a new facility on 49<sup>th</sup> and Dallas (near Quebec) which opened in 2006
- Excerpts from Recommendation of ULI Colorado Report, May 2008
- Recommendation: “Sell immediately”
- Rationale:
  - “This property is not a strategic asset and should be sold.”
  - “There are environmental issues associated with underground storage tanks and shifting land. These concerns would need to be negotiated with potential buyers.”
  - “The property contains a former landfill and could require extensive environmental mitigation before the land can be reused. DPS should not take on the burden.”

From ULI Colorado: “Report with Recommendations on the ULI – DPS Property Assessment, May 2008”



# Appendix 1: Summary of April Facility Recommendations

Evaluate Central/East area Elementary School Capacity Solutions	Hold for school in medium/long term: interim use already in-place	Hold for school in medium/long term: interim use not yet determined	Do not need as a school – engage in disposal process
<b>Whiteman or Fallis or Knight or (possibly) Rosedale</b>	<b>Mitchell</b> (Online HS/Administrative) <b>Del Pueblo</b> (Administrative) <b>Crofton</b> (Denver Venture School)	<b>Wyman</b> <b>Smedley</b> <b>Rosedale</b>	<b>Byers</b> <b>Gove</b> <b>Remington</b>

- Significant excess capacity at middle and high school level indicate Byers and Gove surplus capacity – recommendation to dispose follows ULI recommendation
- Low population growth and excess capacity warrant disposition of Remington – likely next step is to engage in community process (similar to ULI process in 2008) to determine best disposal approach for the facility.
- Strong, current pressures on capacity in Central/East area require development of a comprehensive solution for area
- Less pressing is solution for North Central area, given excess capacity in current operating buildings

## Appendix 2: Central Platte Valley Vacant Land

Properties in Consideration Area	Elementary School Boundaries In Area	Enrollment (2008 Oct. count)	Capacity	Capacity Utilization	Choice In- Choice Out
<b>Crofton</b>	Cole ECE-8	553	1,208	46%	0.00
<b>Mitchell</b>	Gilpin Elementary School	284	607	47%	-186.00
<b>Del Pueblo</b>	Greenlee Elementary School	601	594	101%	159.00
<b>Wyman</b>	Morey Middle School	841	880	96%	405.00
	Polaris at Ebert	340	335	101%	339.00
	Whittier Elementary School	303	314	96%	-3.00

# Appendix 3: Place Vacant Land

Properties in Consideration Area	Elementary School Boundaries In Area	Enrollment (2008 Oct. count)	Capacity	Capacity Utilization	Choice In-Choice Out
Fallis	Carson Elementary School	377	336	112%	152.00
Whiteman	Lowry Elementary	456	492	93%	100.00
	Montclair Elementary School	403	309	130%	-50.00
	Place ECE-8	744	794	94%	-341.00
	McMeen Elementary School	591	511	116%	-285.00
	George Washington High School	1,522	2,199	69%	-258.00

## Summary of Whiteman, Fallis, Place Area -- Grades E-5

# of School age resident living in area (E-5)	# of Children (grades E-5) currently living in area and enrolled in DPS schools	Enrollment at schools (all students)	Capacity	Cap Utilization	Students displaced if facilities were 90% full
Carson	223	377	336	112%	<b>75</b>
Lowry	363	456	492	93%	<b>13</b>
McMeen	526	591	511	116%	<b>131</b>
Montclair	295	403	309	130%	<b>125</b>
Place Bridge	490	528	555.8	95%	<b>28</b>
Other DPS schools (incl. charters)	631				
<b>Totals</b>	<b>4473</b>	<b>2528</b>	<b>2355</b>	<b>2203.8</b>	<b>107%</b>

57% of school age residents in area attend any DPS school

Note that for Place only E-5 considered here -- Place capacity adjusted for E-5 students -overall capacity is 794

- Since October Count, Place ECE-8 has added greater than 50 students, putting them right at capacity

# Appendix 4: Glenbrook Vacant Land

Properties in Consideration Area	Elementary School Boundaries In Area	Enrollment (2008 Oct. count)	Capacity	Capacity Utilization	Choice In-Choice Out
Glenbrook Vacant Land	Denison Montessori School	357	383	93%	429.00
	Doull Elementary School	491	616	80%	-301.00
	Grant Ranch Elementary	655	734	89%	142.00
	Force Elementary School	506	556	91%	-191.00
	Gust Elementary School	475	594	80%	-36.00
	Sabin Elementary School	585	694	84%	210.00
	Traylor Elementary School	566	514	110%	121.00
	Kaiser Elementary School	342	470	73%	130.00
	Kunsmiller Middle School	297	1,412	21%	-265.00
	Henry Middle School	935	990	94%	50.00
John F. Kennedy High School	1,250	1,930	65%	34.00	

## Summary for SW - All Grades

School	# of School age resident living in area (6-12)	# of Children (grades 6-12) currently living in area <u>and</u> enrolled in DPS schools	Enrollment at schools (all students)	Capacity	Cap Utilization	Students displaced if facilities were 90% full	
DENISON MONTESSORI SCHOOL		149	356.5	383	93%	12	
DOULL ELEMENTARY SCHOOL		364	491	616	80%	0	
FORCE ELEMENTARY SCHOOL		436	506	556	91%	6	
GRANT RANCH K-8 SCHOOL		553	655	734	89%	0	
GUST ELEMENTARY SCHOOL		206	475	594	80%	0	
HENRY WORLD SCHOOL GRADES 6-8		551	935	990	94%	44	
JOHN F KENNEDY HIGH SCHOOL		760	1250	1930	65%	0	
KAISER ELEMENTARY SCHOOL		255	342	470	73%	0	
KUNSMILLER MIDDLE SCHOOL		100	297	1412	21%	0	
SABIN ELEMENTARY SCHOOL		437	585	694	84%	0	
TRAYLOR ELEMENTARY SCHOOL		474	566	514	110%	103	
Other DPS Schools		1136					
<b>Total</b>		<b>9,025</b>	<b>5421</b>	<b>6459</b>	<b>8893</b>	<b>73%</b>	<b>165</b>

- Note that between West Denver Prep and Kunsmiller Creative Arts Academy, nearly 900 students are projected into Kunsmiller next year

# Appendix 5: Principles in Property Disposition Analysis

## **Principles in making recommendations regarding facilities:**

- The highest-and-best use of a DPS school facility is as a school.
- Appropriate data should be used to first determine the need for facilities geographically to support the current and projected population needs.
- We should plan for our needs looking out over the long-term.
- It is the responsibility of the DPS staff and Board of Education to effectively manage both the physical facility and the asset financial values to best serve the educational mission of the school district, and steward the taxpayer-owned assets.
- We should dispose or seek alternative uses of facilities and properties where there is greater value than holding the property, and should use existing properties to serve district priorities where it is economically viable.
- Local community input should be sought in making disposition and school-use decisions.
- Funds generated from disposal or alternative use of facilities should be used to fund other district priorities, including increasing dollars spent in our classrooms.

# Appendix 6: 2009 Facilities Analysis Disposition Timeline

