

# George Mason/Mary Ellen Henderson Campus Joint Process Planning Committee

## MINUTES

MAY 8, 2014

7:30AM

CITY HALL – OAK ROOM

<b>IN ATTENDANCE</b>	
	David Tarter, Mayor (DT) David Snyder, Vice Mayor (DS) Susan Kearney, School Board Chair (SK) John Lawrence, School Board Member (JL) Ruth Rodgers, Planning Commission Chair (RR) Michael Novotny, EDA (MN) Wyatt Shields, City Manager (WS) Toni Jones, Superintendent of Schools (TJ)
<b>OTHERS PARTICIPATING</b>	Jim Snyder, Development Services (JS)
<b>DOCUMENTS/ RESOURCES</b>	Draft Process Roadmap

## Agenda

8A:	Update on adjoining owners outreach
8B:	Guest; Mary Filardo, 21 <sup>st</sup> Century Schools Fund
8C:	Next Steps



## Discussion and Recommendations (By Speaker)

Agenda	Speaker	
8A	SK	Participated in phone meeting with executives from UVa/Va Tech. Each University has appointed an individual who will be a point of contact for the Steering Committee.
	WS	Explained land ownership regarding the property around the UVa/Va Tech site. Action Item – have counsel review the lease/ownership arrangement for the entire parcel.
8B	M. Filardo	<p>Provided background on the Oyster school project and the construction of a non-profit group to lead the project. Noted that there were no developers around the table initially. The site is less than 2 acres located near the Woodley Park Metro station.</p> <ul style="list-style-type: none"> <li>a) First step was to define what the public wanted to derive from the project (addressing school overcrowding, affordable housing, some other public benefit, for example). This was a very public process and was vital to its success.</li> <li>b) Their group explored the feasibility – legal, financial, environmental, zoning. Their group allowed the public to lead, and not the market through an RFP.</li> <li>c) Cautioned that group must be very clear when parties are on the owners “side” and when they are not.</li> <li>d) Real estate due diligence must be separate from Educational due diligence. School plans and specifications were done separately to define what the community really wanted out of the school.</li> <li>e) They had two rounds of RFPs after all of the due diligence (information gathering). The first was not very successful but a more “lean” second round, with better information included, generated better responses. The RFP review team included members of the community, construction and finance experts.</li> <li>f) They pondered was a Public-Private partnership necessary or simply intriguing. In their experience the developer sold the property for \$56M after developing the residential units for \$26M. Their Public-Private partnership was very complicated with developer/owner repaying the school bond in lieu of taxes. In exchange for building the schools (specifications and design were done separately) developer had right to build on 0.8 acres, had matter of right high-density residential zoning in place. Developer built 211 unit building, fee simple ownership.</li> <li>g) The “public” goal was to maximize dollars available for school.</li> </ul>
	DT	Inquired about the initial “value” estimate”. Response from MF was that “value” was initially only about \$3M but cautioned that it is hard for the public to put a value on public land. Developer received fee simple ownership of \$3M parcel in exchange for paying an \$11M bond debt service over 35 years. At the end of the day the City received about \$1M cash and an \$11M public benefit. Discussion regarding TIFF (tax-increment financing).
	SK	Inquired about lessons learned about the lengthy process. Response from MF was that they were intentional about both the community and development processes. They did that part right. In hindsight, what they would have done differently was the “deal”. They did not anticipate how the “value” would skyrocket. It was the right

		thing to do but they were not as optimistic about the future as they could have been. The investment in the communal infrastructure was important to building and keeping the community growing, bringing people to the community. She discussed how they used the feasibility studies to visualize the outcome. Recommendation was to get "down on paper" what the community wants, and what the school requirements are. If we cannot afford the due diligence to map this out do not go out with an "open" RFP. Must spend sufficiently to learn the right things to do.
	DT	Inquired about role of the winner of the first RFP. Response from MF was that they managed the "deal" aspects, reading and reviewing contracts, etc. MF offered that the difficult side is the community-outcome piece and the "real estate" will be easier.
	MN	Inquired about timing of bringing in first RFP consultant. MF says they used experts during the feasibility stage and then brought in one major player to synthesize the studies.
	MN	Did the parcel require reconfiguring? Response from MF was "yes". The old school was torn down, building and structured parking went in its place. Offered that most school properties are inefficiently spaced and with proper planning there is usually enough space.
	JL	Inquired about what could have been done differently that could have lead to the more "optimistic" approach mentioned earlier. MF explained the mechanics of their upfront expenses. Short answer was they should not have locked in on "current value" – the fixed payment. They could have built into the deal some adjustment for future value, future transactions, yet make it as "clean" as possible so City is not wrapped up with developer "forever".
	MF	This is not just a land deal. Public investment in K-12 facilities advanced their project and fueled the will to do more than just build the school. Building community through the project was very important. Recommended that the first due diligence step is community visioning for families and for children. a) Discussed Norman Thomas HS – a joint occupancy building. b) Discussed Sidwell Friends construction from the perspective of how to save/maximize land while retaining open space and still maximizing density.
	SK	Inquired about other resources. MF recommended that the community could use their own version of the 21 <sup>st</sup> Century School Fund. Someone that is working toward this everyday – gathering information and keeping the project moving forward. Group discussed the potential for fee-based/percentage consultants and writing it so City can walk away with little exposure.
	MF	Cautioned about a failure to keep putting the necessary dollars into the schools. Cannot put off the regular and routine maintenance.
	MF	Cannot sacrifice a generation of kids to get a future "really good deal" by leaving them in poor facilities. She summarized a potential process – "kids need a school by this date, this kind of open space, set dates, and hand it over to others to give ideas about how to get there."
8C	SK	School Board will consider the Steering Committee resolution at worksession on May 20.
	SK	Asked group to begin thinking of additional guests for future meetings if Planning group is extended 60 days.
	JG	Suggested South County HS PPEA, Wakefield HS architect.
	MN	Would like to see a master planning and design firm, including private side expertise.
	WS	As group is planning meetings, we should be looking for pieces that help us craft a future RFP.
	WS	There is value in publicizing our meetings more so that the community can keep up with the information gathering.
	SK	Suggestion to include town halls, maybe once a quarter or twice a year, in our communication plan.

## Action Items (Proposed)

Item	Assigned to:	Delivery
Determine expertise needed by committee and estimate of costs	Staff	
Make recommendation for staff support (outside of experts/consultants) for both short term (life of this committee) and long-term (life of project).	Staff	
Provide survey of site to include adjoining property descriptions, easements, owners.	Staff	
Locate and provide copy of WMATA deed and special exception	NA	
Application to MWCOG and ULI Washington	Jim Snyder	Feb 14, 2014
Meeting Notice Requirements	City and School Staff	ASAP / Ongoing
Develop Charter for a Steering Committee	City Council/School Board	April 1, 2014
Set up a meeting with Supervisor Foust. (Contact)	JL/Staff	Feb 27, 2014
Set up a meeting with WMATA (Contact)	Staff	Feb 27, 2014
Contact VDOT Urban Affairs	Staff	
Communication Plan to city groups	Staff	
Reach out to League of Women Voters – opportunity to join March panel	RR	ASAP
Request ULI representative meet with steering committee	Jim Snyder	

 Task Completed  In Progress

Action Items (Discussed not assigned)

Item	Assigned to:	Delivery
Develop report on debt capacity and options other than PPEA.		