



Facility and Real Property Asset Management Study

OUSD School Board Presentation

DRAFT 11.18.09



MKTHINK

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Project Objectives

1. **Develop and assess inventory of all OUSD space used to provide education and related support services for students and their families**
2. Develop utilization and occupancy targets that better support OUSD mission, goals, school operations and associated programs
3. Recommend specific strategies to 'right size' the district, including improving utilization, and optimizing use and allocation of assets



Summary of Findings

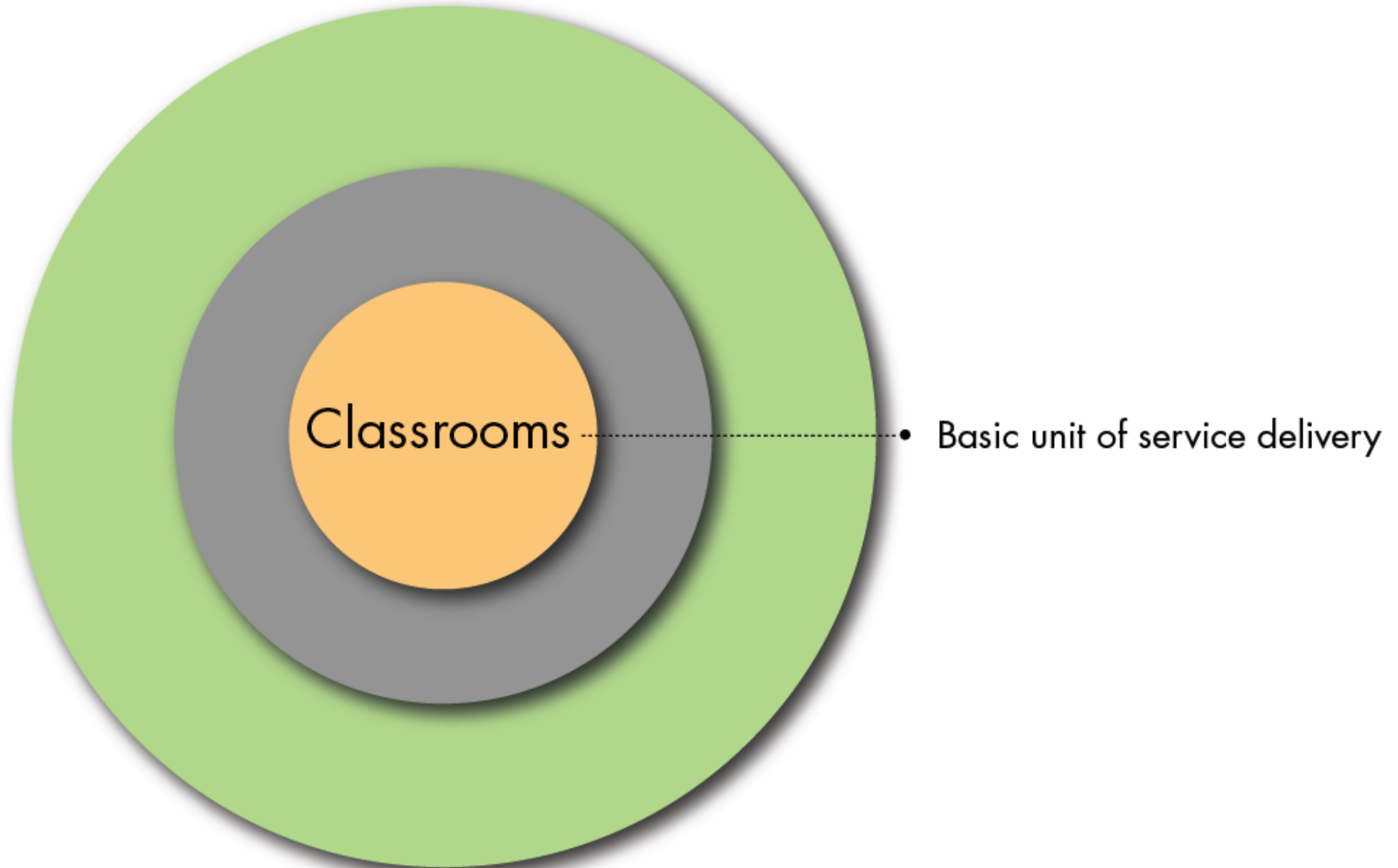
1. The district has a current surplus of approximately 900 classrooms
2. The district has more classrooms than required to meet 1999 peak enrollment of 55,000
3. There are two approaches for addressing over-capacity:
 - Maximize efficiencies at large-scale facilities
 - Use facility space at all sites to ensure economic sustainability



1. Asset Management Framework

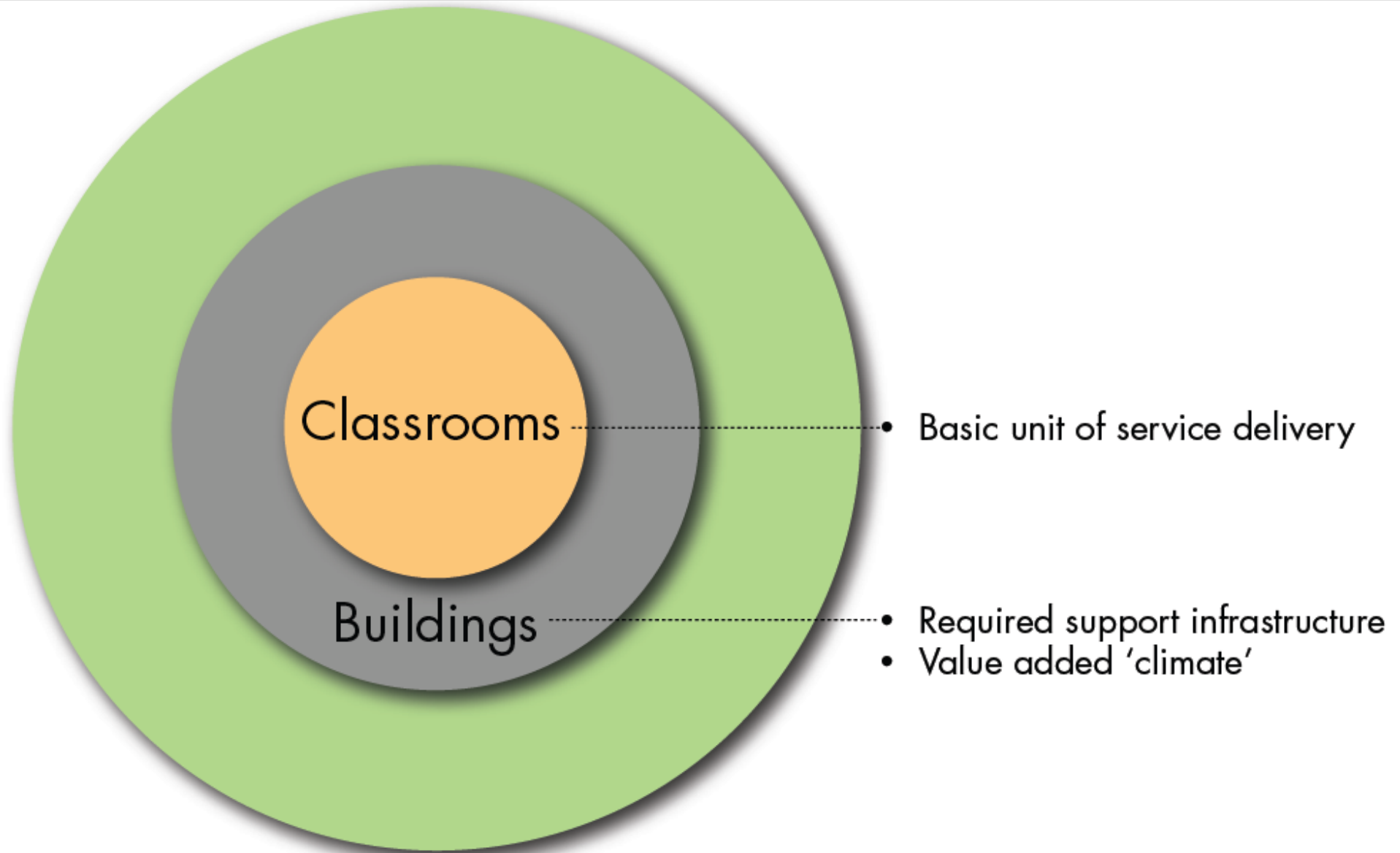
Asset Management Framework

What do we have?



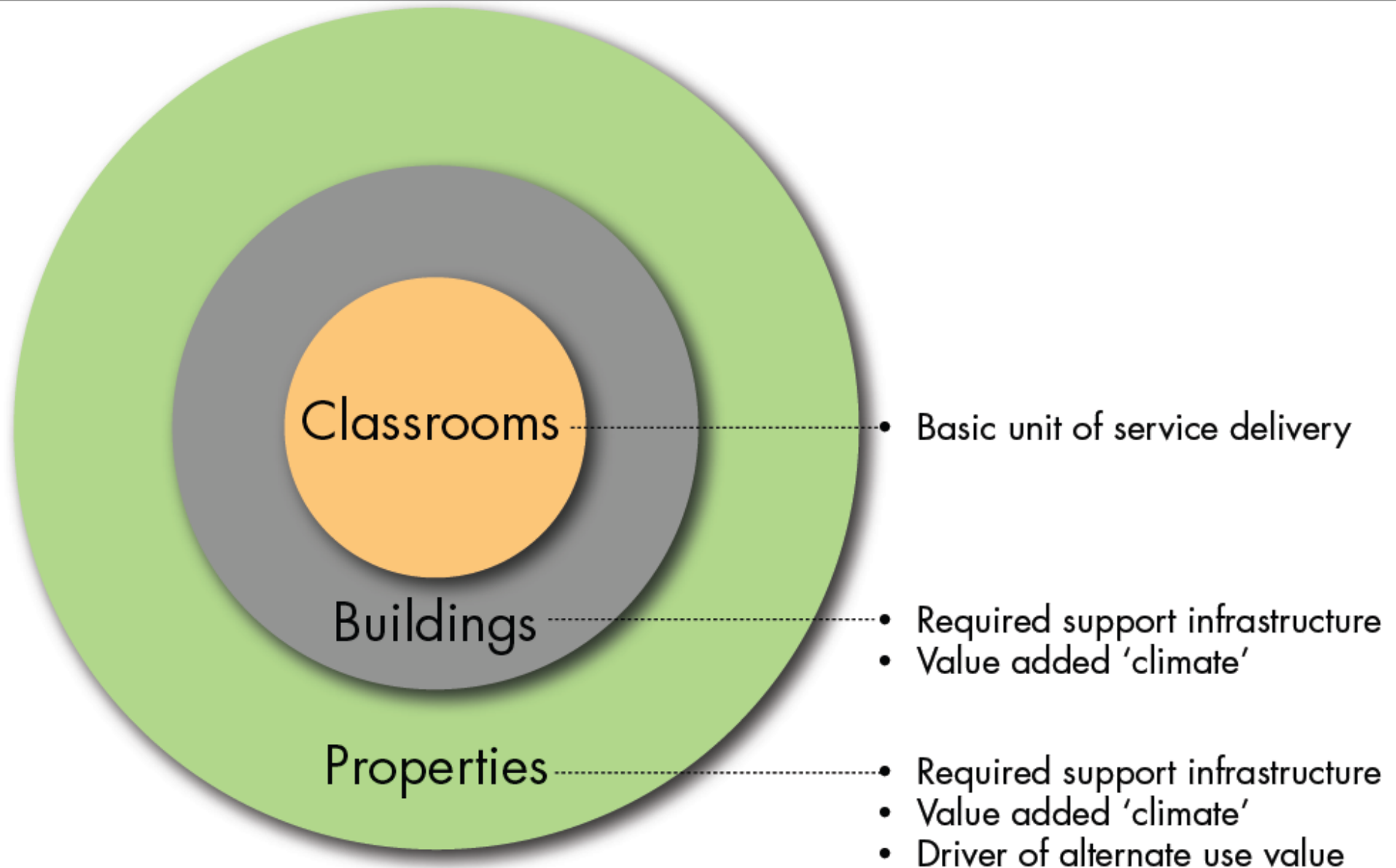
Asset Management Framework

What do we have?



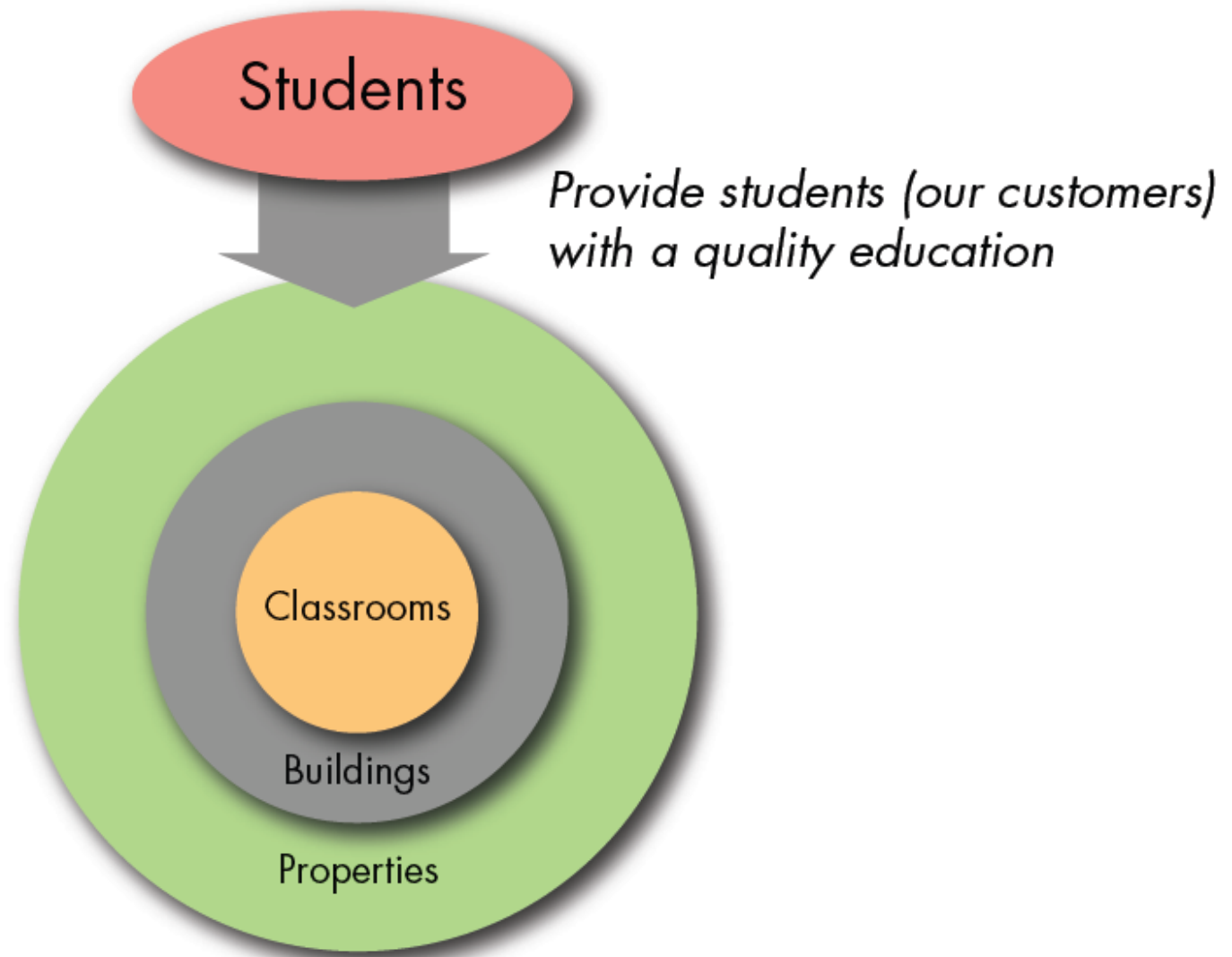
Asset Management Framework

What do we have?



Asset Management Framework

How do we create value?



What quantity/quality of physical assets is needed to meet customer demand today and tomorrow?

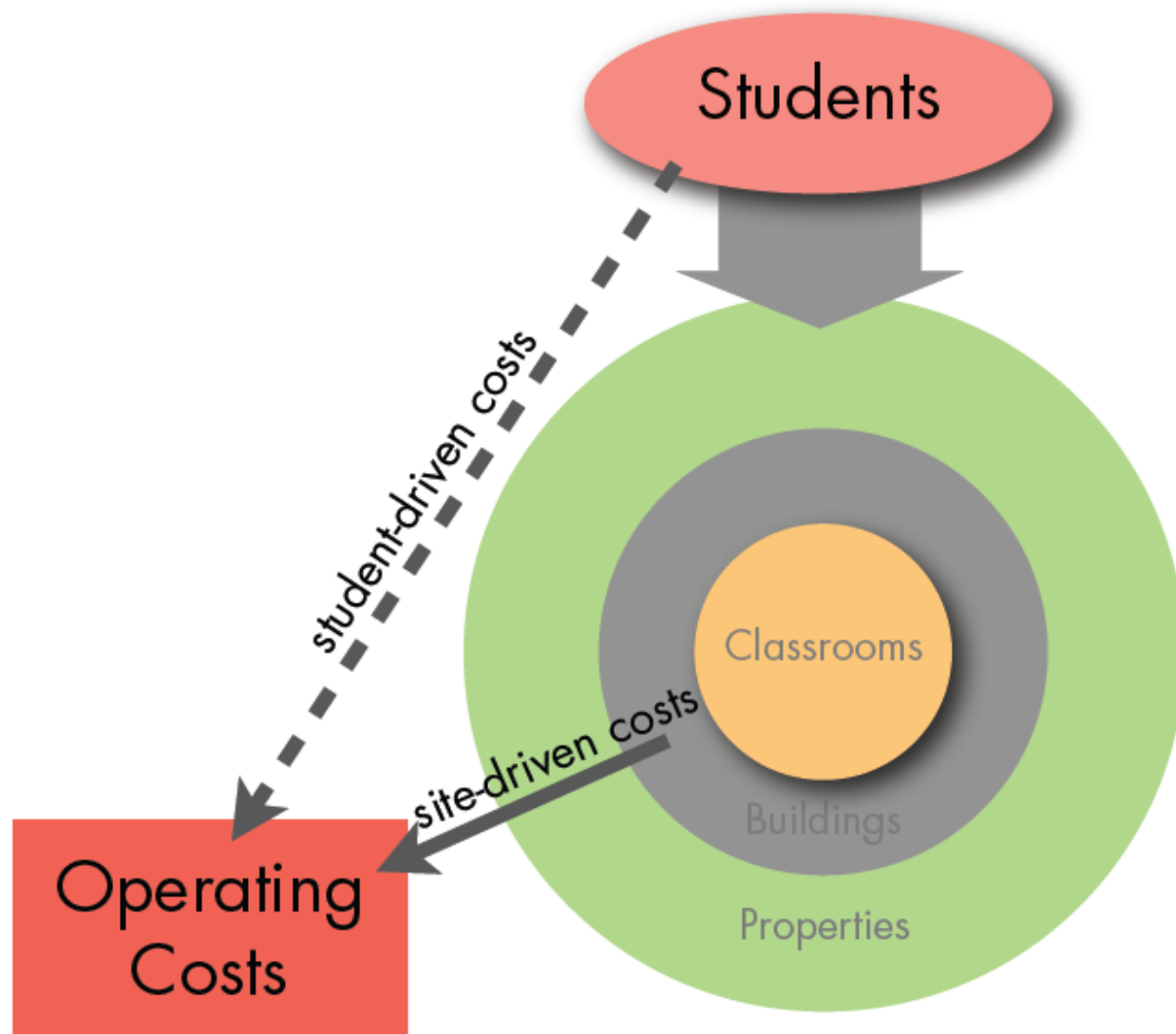
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Asset Management Framework

What does it cost to create value?

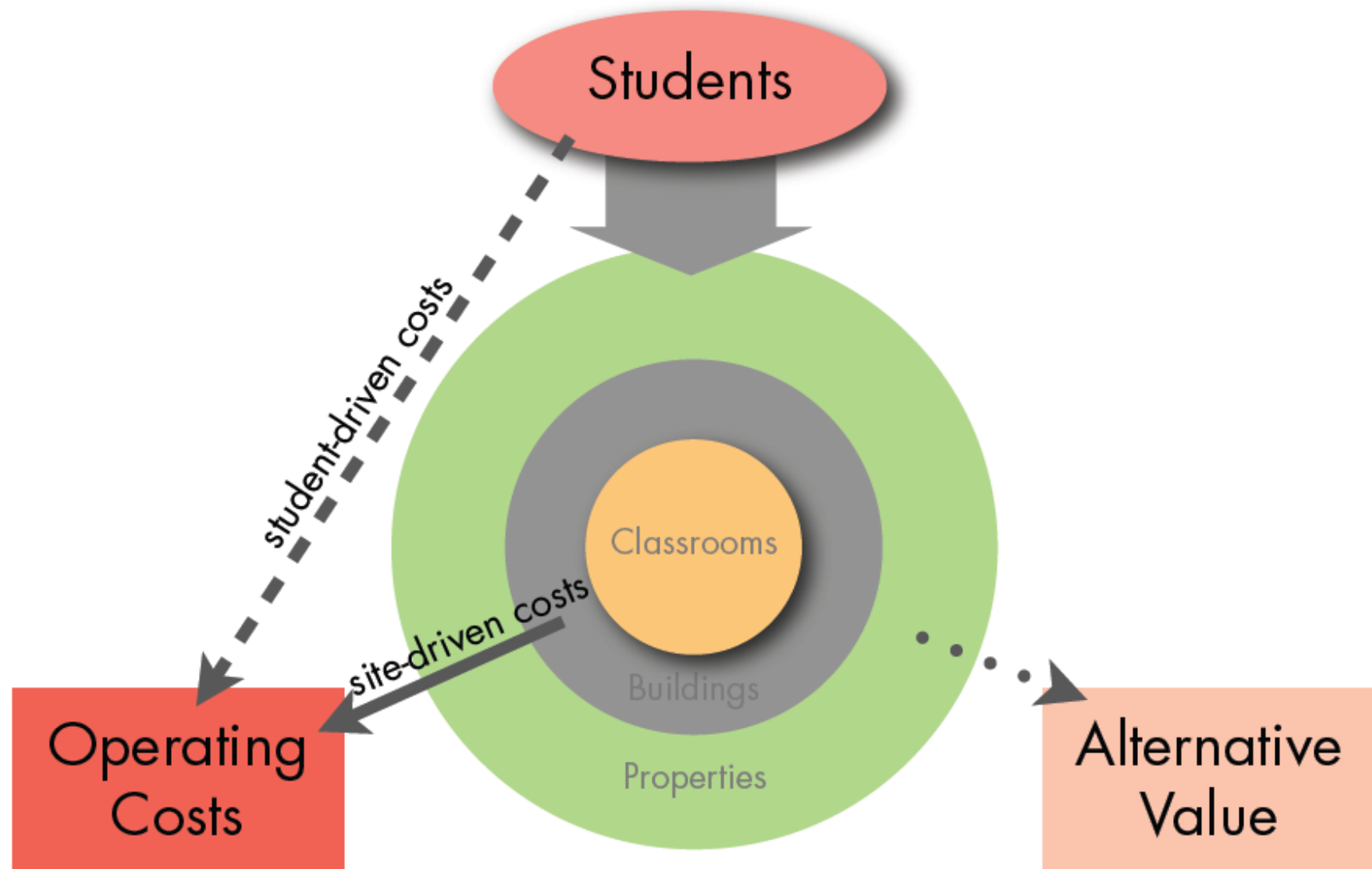


Understand the drivers of cost in order to
identify opportunities for savings

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Asset Management Framework

Can our assets generate additional/alternative value?



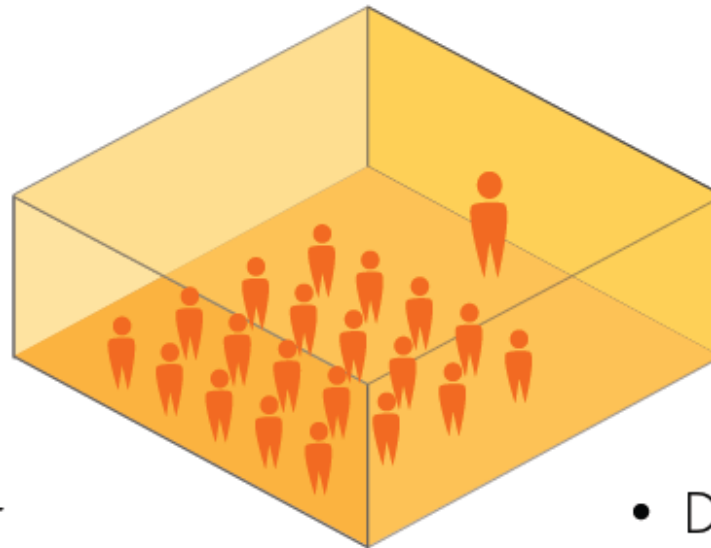
What other means are there to create additional value?

2. Asset Inventory



Classrooms: the Physical Unit of Education Delivery

- Primary student learning space
 - Highest area of impact for teaching and learning
 - Quality of space sets student expectations

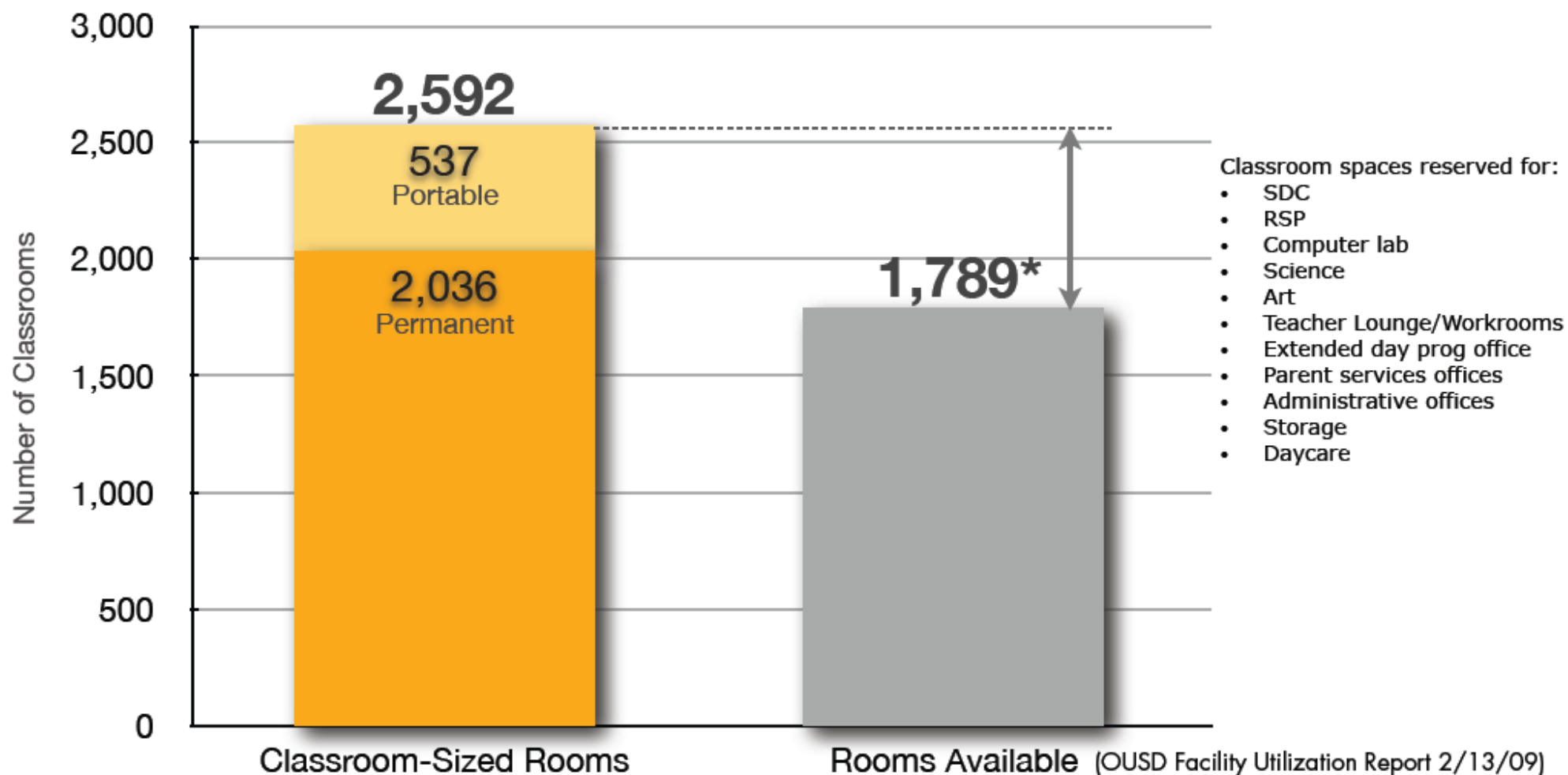


- Limiting factor for student enrollment

- Direct relationship to teacher staffing levels



2,592 Classrooms



*Classroom totals do not include 98 current classrooms below 600 square feet

Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)





Classrooms Size Categories

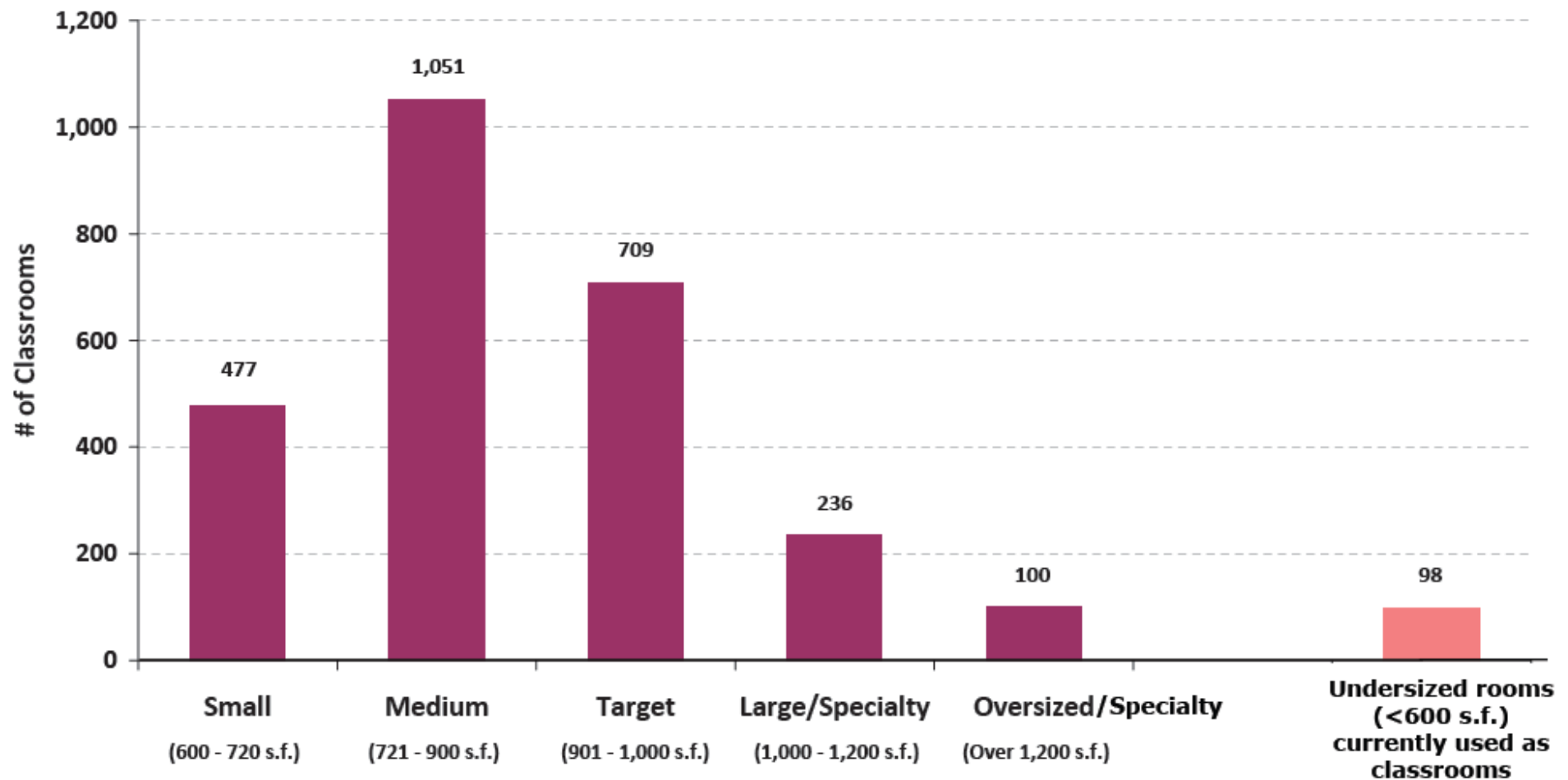
Size	Square footage range	Students accommodated
Small	600-720	20-27 @ 30 s.f./student 24-32 @ 25 s.f./student • permission required to build a general classroom this size
Medium	721-900	27-32 @ 30 s.f./ • permission required to build a general classroom this size
Target	901-1000	32 @ 30 s.f./student • state guideline for classrooms in new schools is 960 sf
Large/ Specialty	1001-1200	Specialty use/equipment-dependent
Oversized / Specialty	1200+	• Oversized for classroom use, opportunities to rightsize and recapture space • State standard for K is 1350, for labs is 1300+

Source: Title Five, California Code of Regulations for School Facilities Construction





The majority of classrooms are appropriately sized for current class sizes

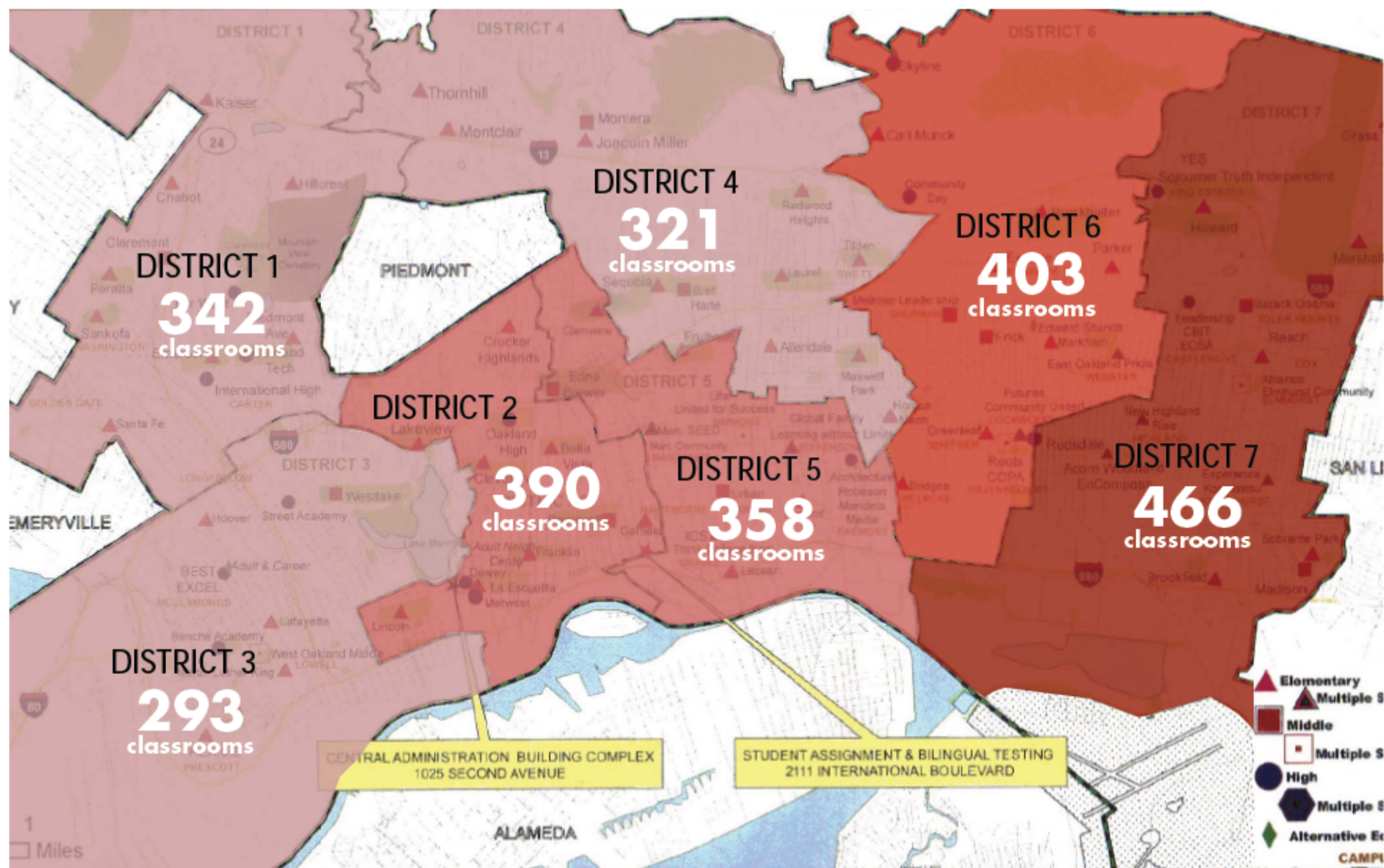


Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)





Classroom distribution across districts



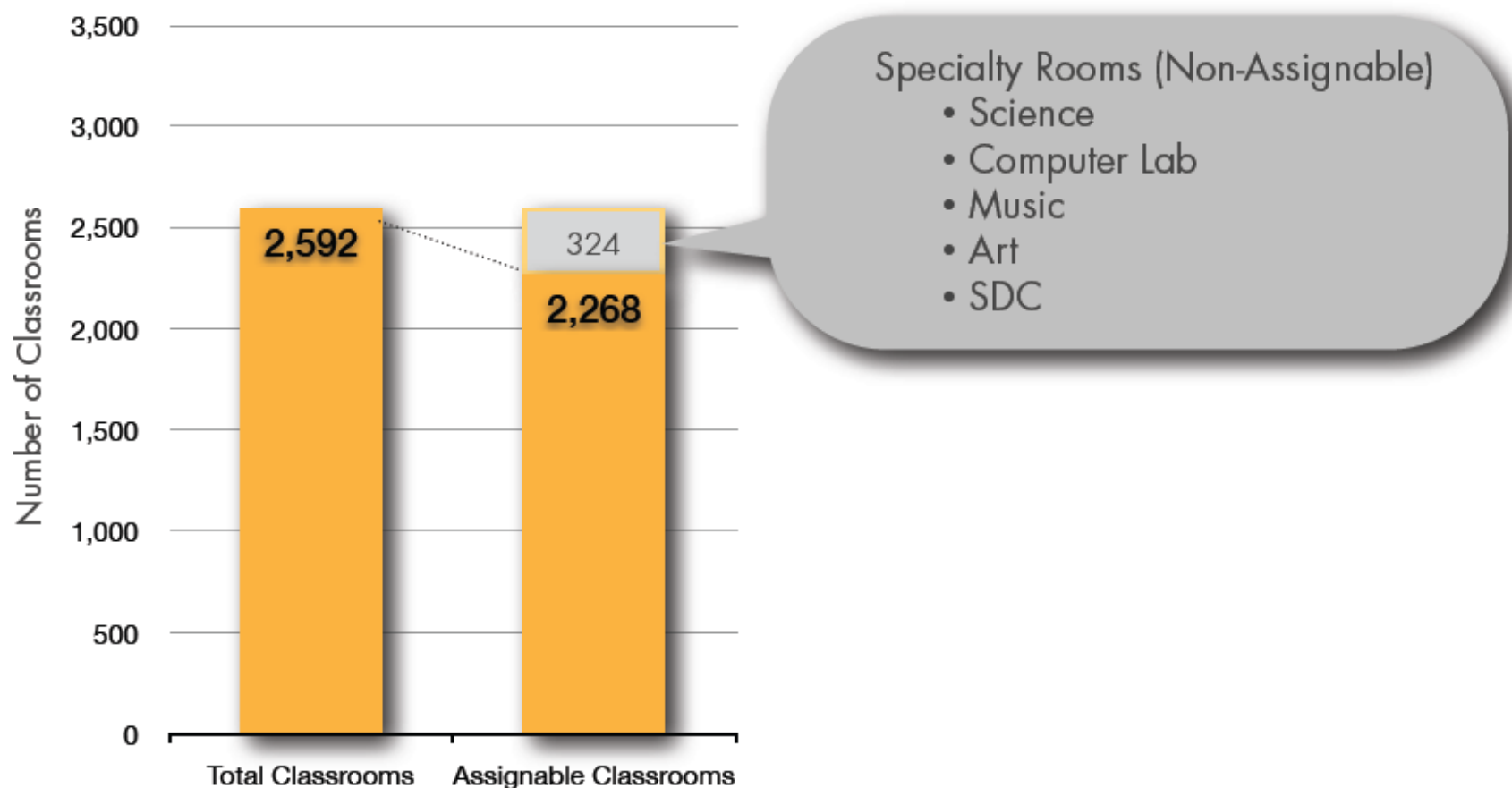
Source: OUSD Site & Building drawings, Site inspection. 2005 Facilities Master Plan. Satellite images

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Enrollment potential of current classroom inventory

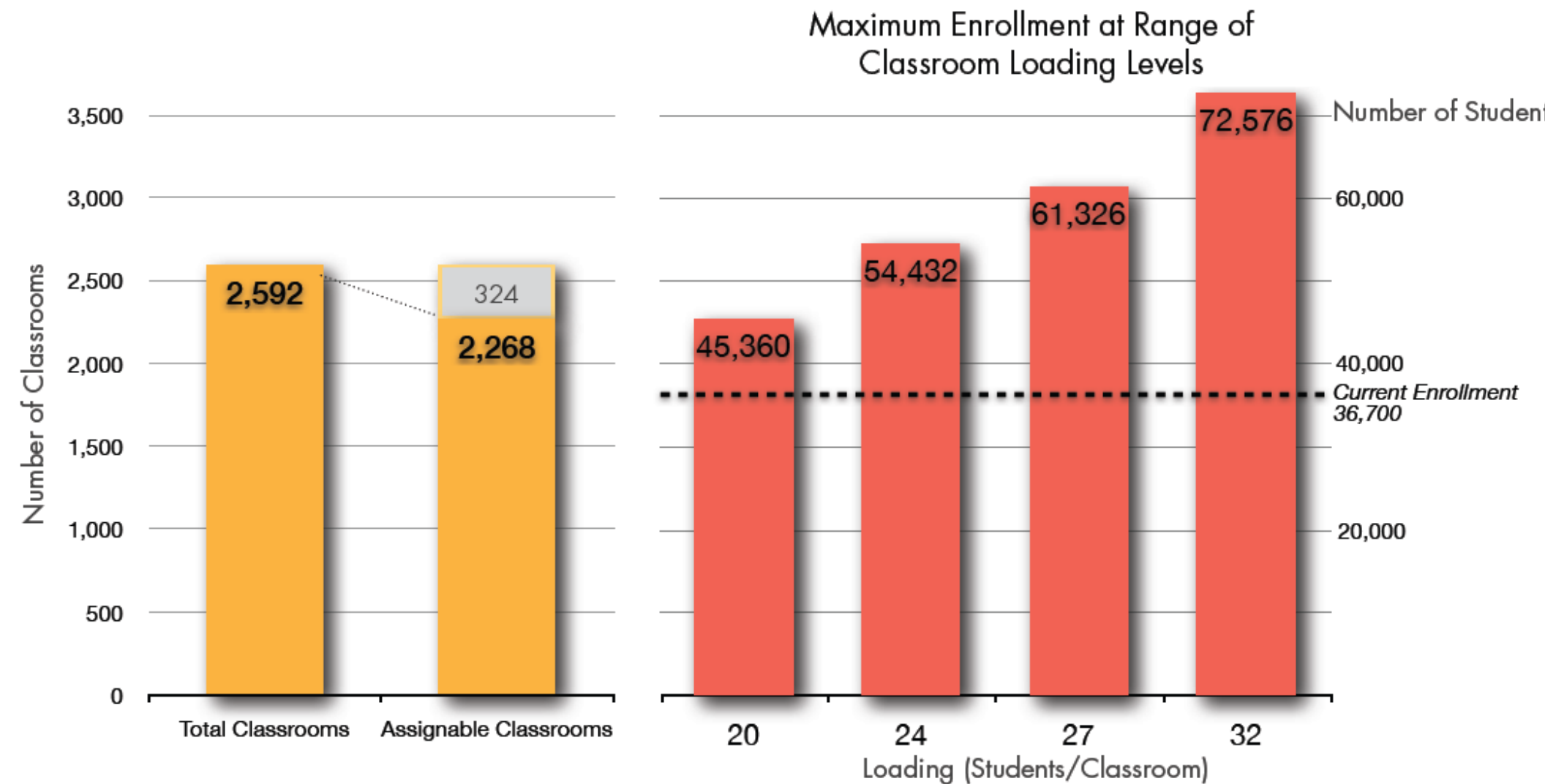


Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)





Enrollment potential of current classroom inventory



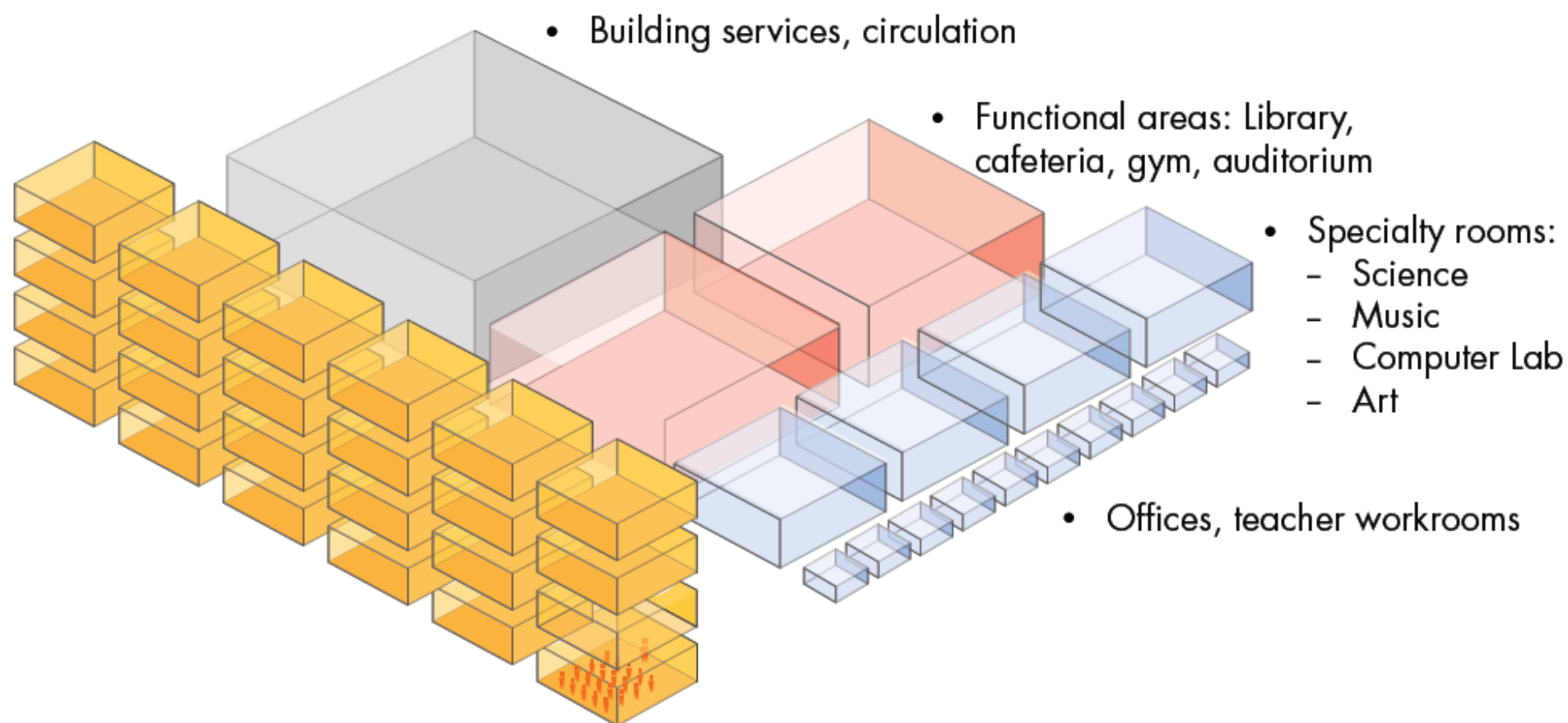
Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)





Buildings: Classroom Support Infrastructure

- Provide required infrastructure
- Value-added offerings (school 'climate')
- Primary driver of operating expenses



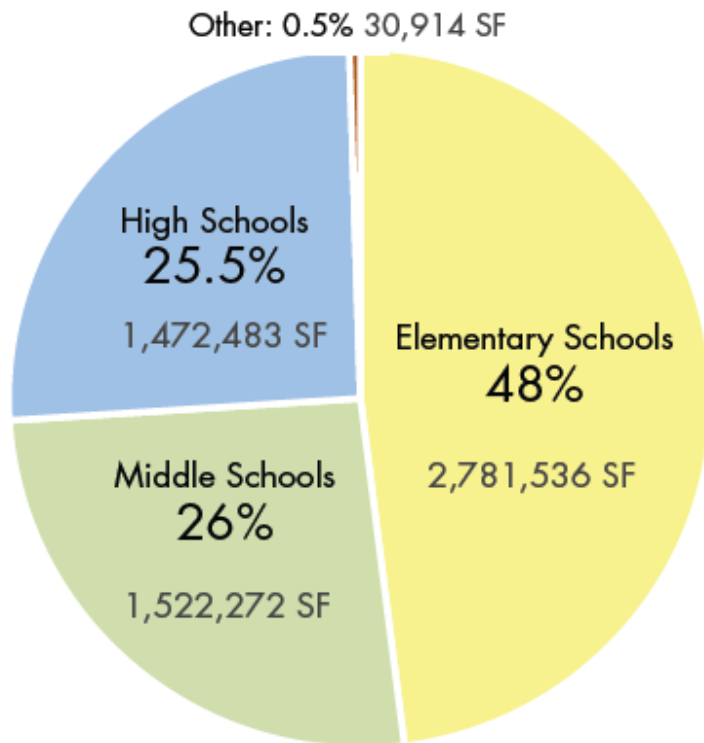
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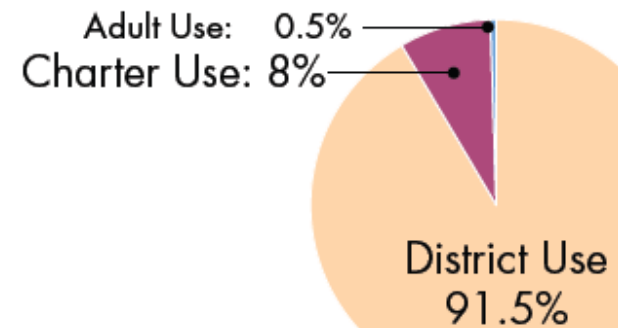




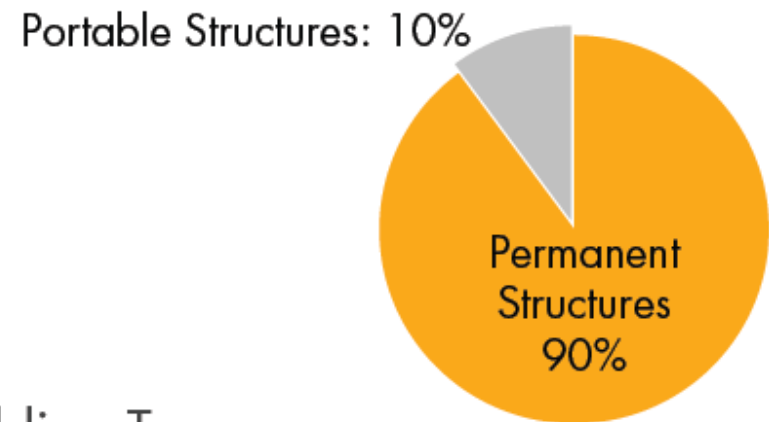
5,807,205 Square Feet



Grade Level



Use Type



Building Type

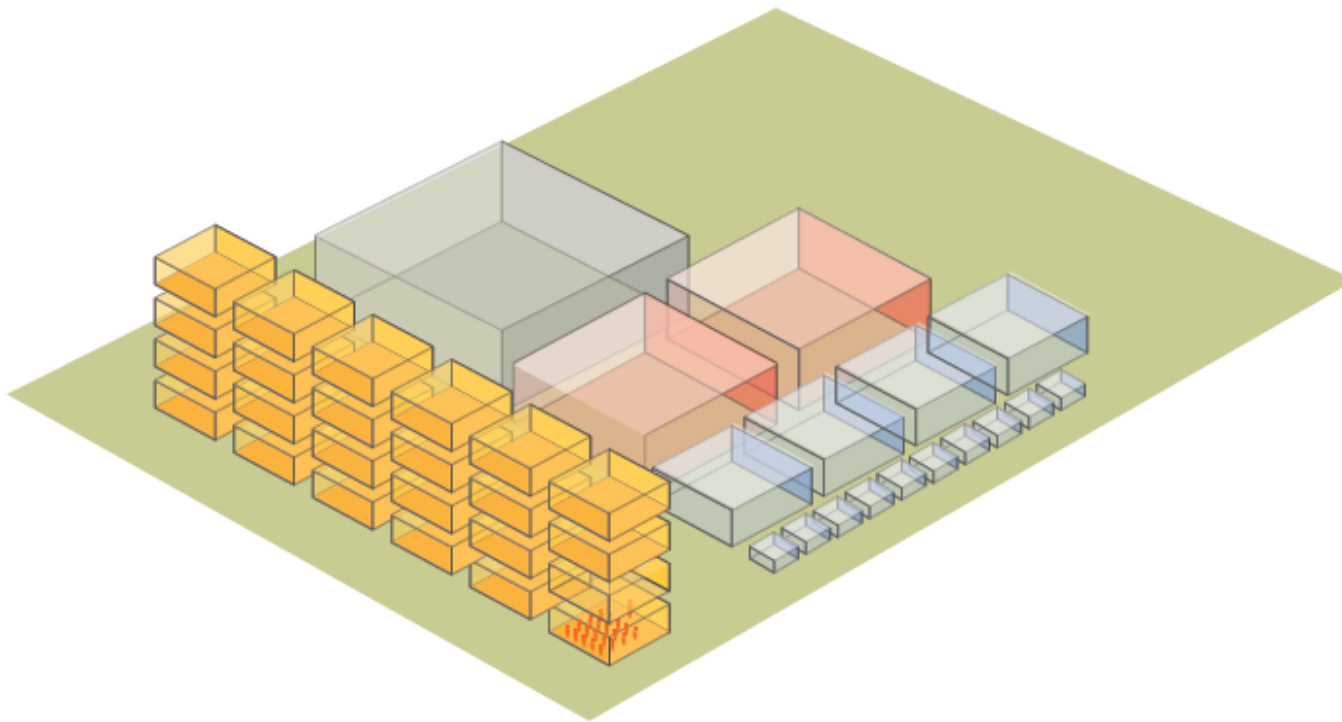
Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)





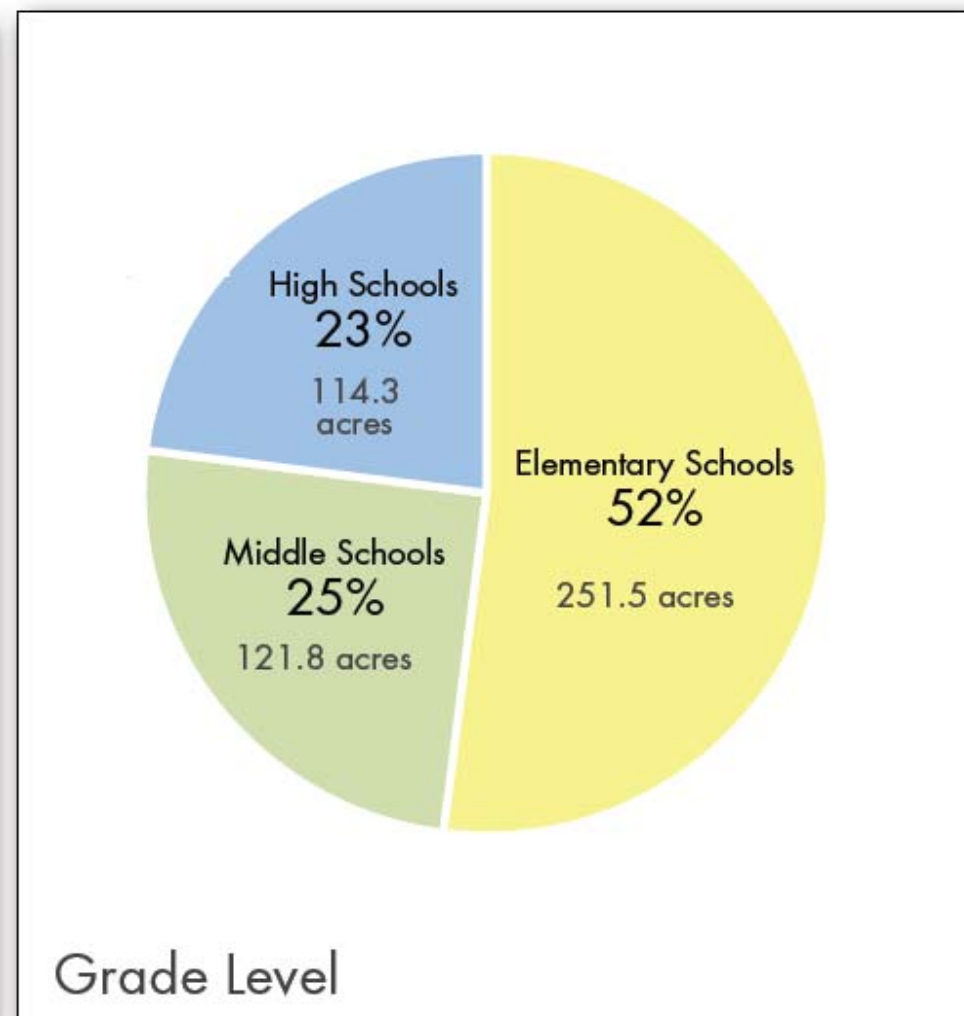
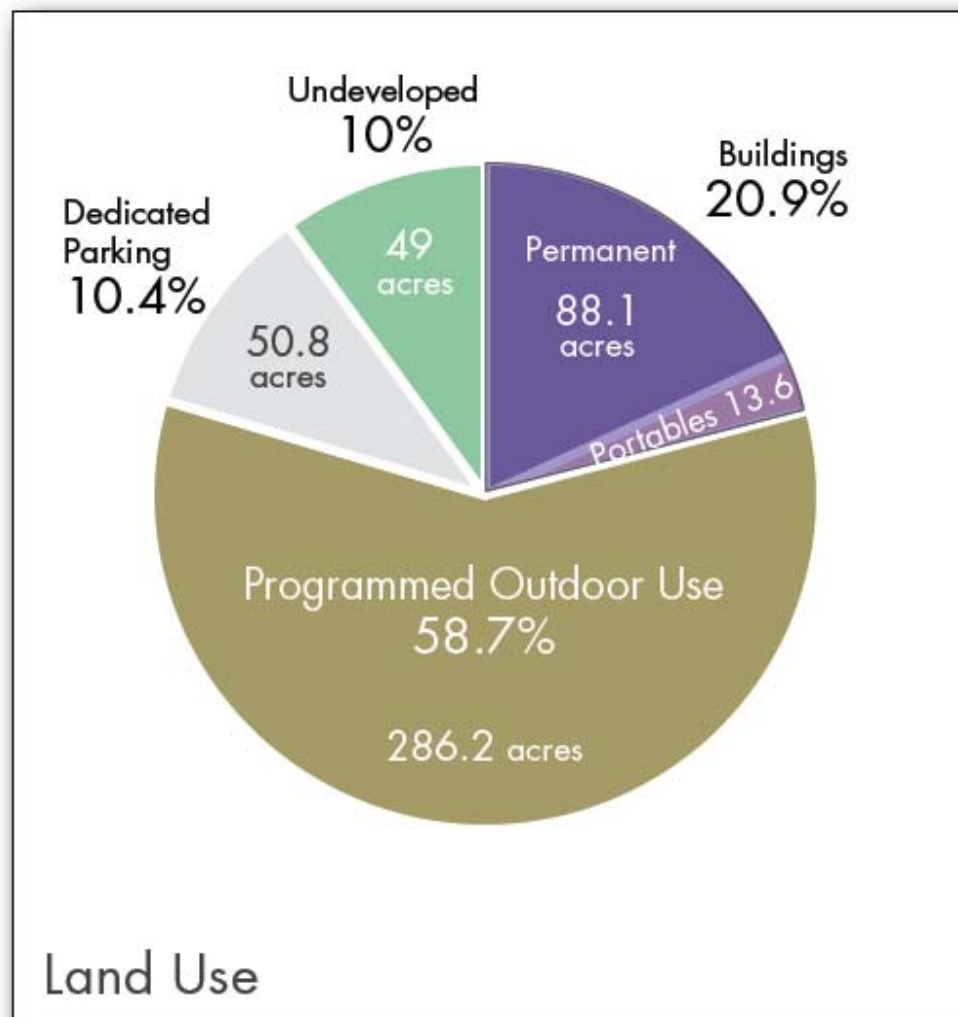


Properties: Expansion and opportunities for alternate use



- Required support infrastructure
- Primary driver of alternate-use economic value (market value)
- Value-added opportunities
 - Support expansion and growth
 - Curricular opportunities
 - Athletics
 - Community use

487 Acres



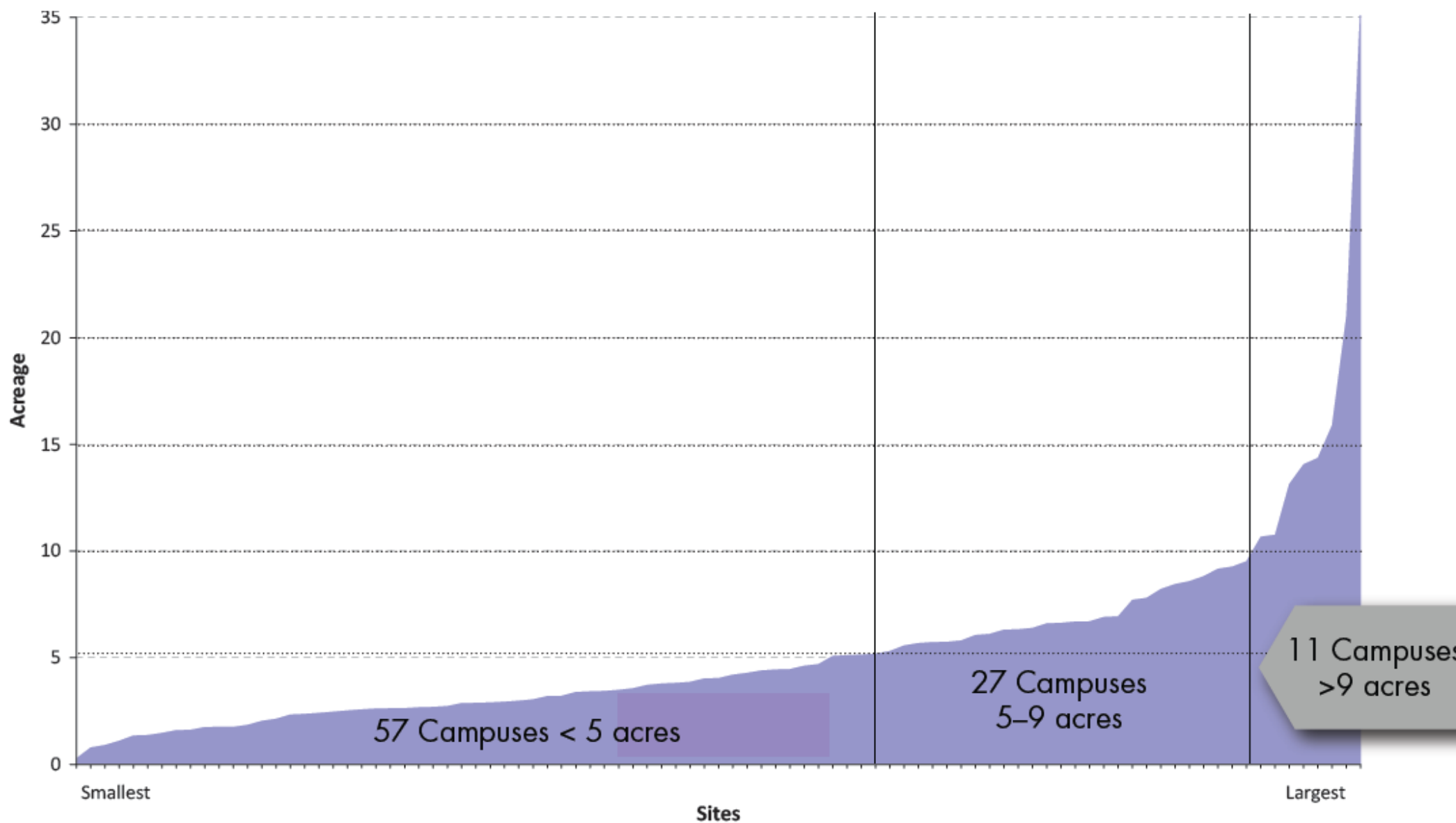
Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images

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The 11 largest campuses account for 1/3 of the district's site acreage



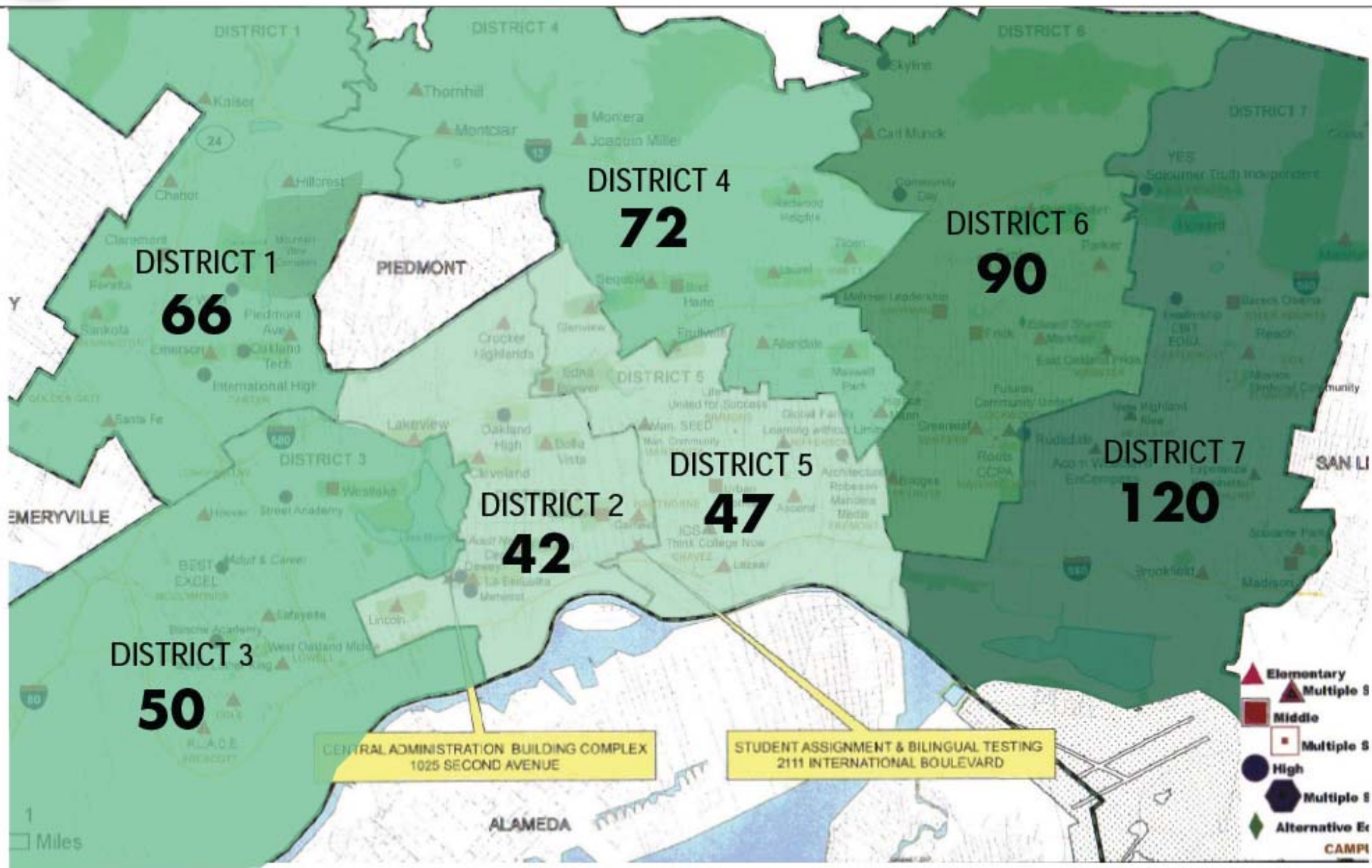
Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images

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Campus acreage distribution across districts



Source: OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images

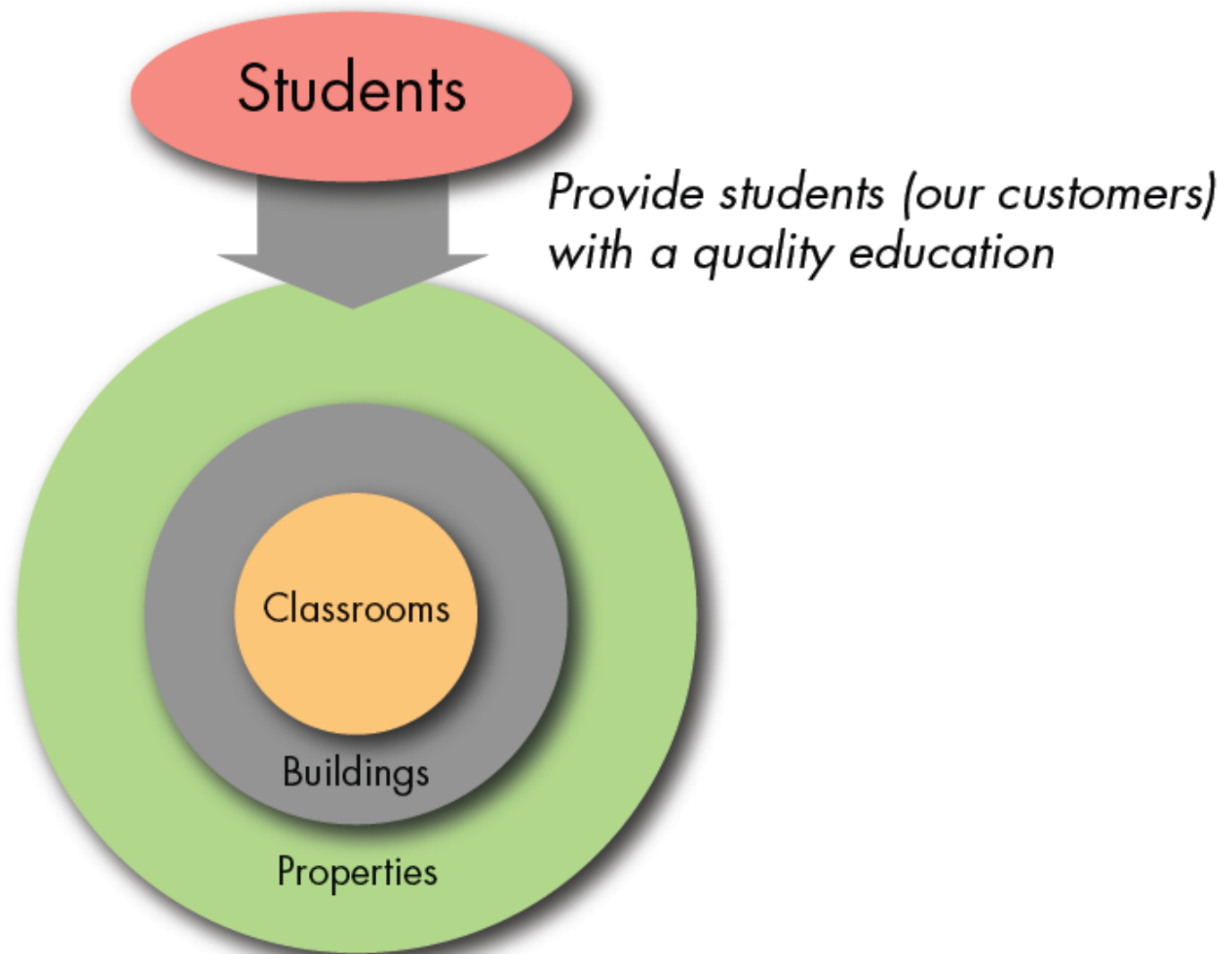
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3. OUSD Customers: Students

Asset Management Framework

How do we create value?

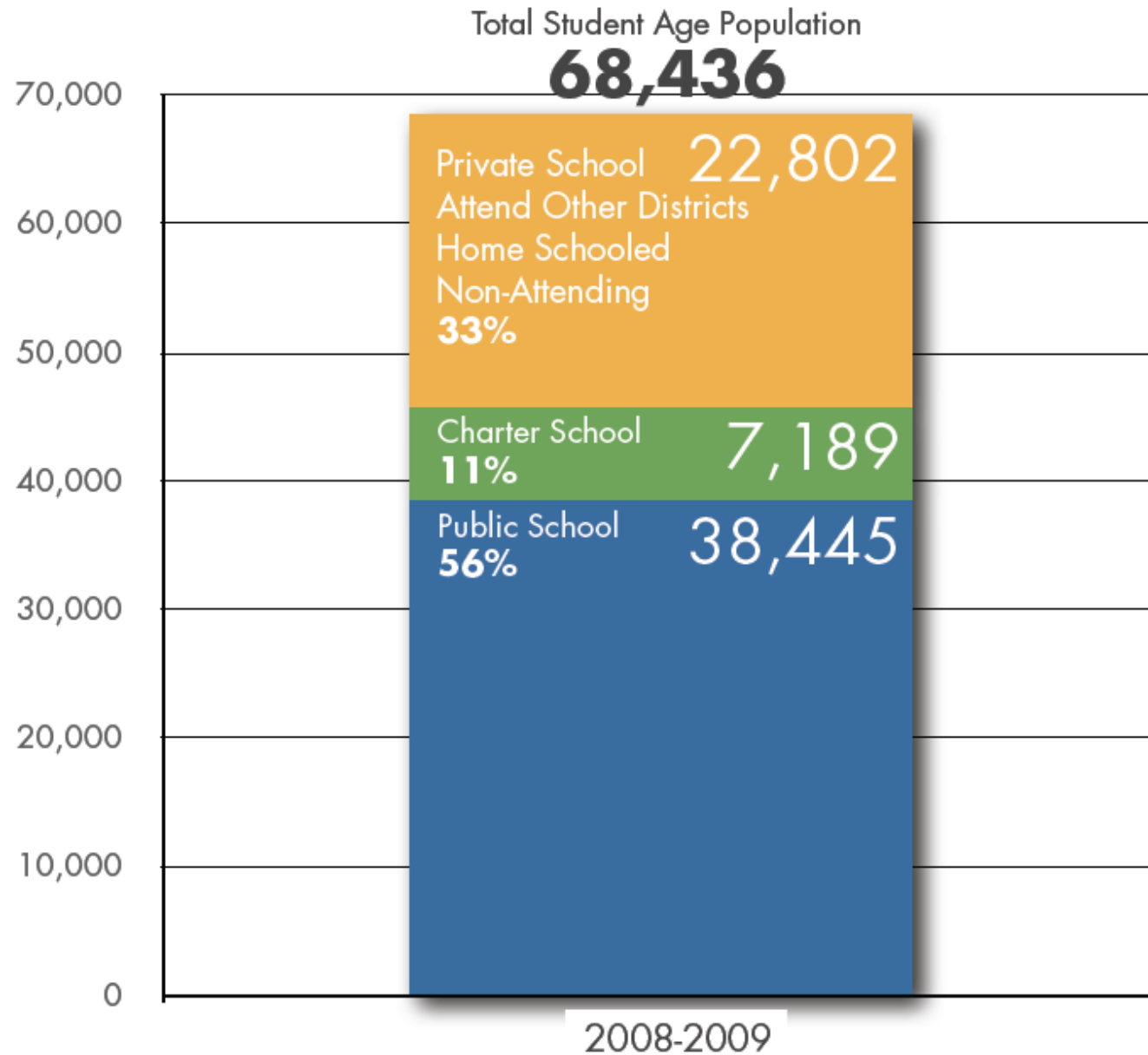


What quantity/quality of physical assets is needed to meet customer demand today and tomorrow?

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56% of Oakland's student-aged population attends OUSD schools



Source: greatschools.net, MKThink Research, CA Department of Finance

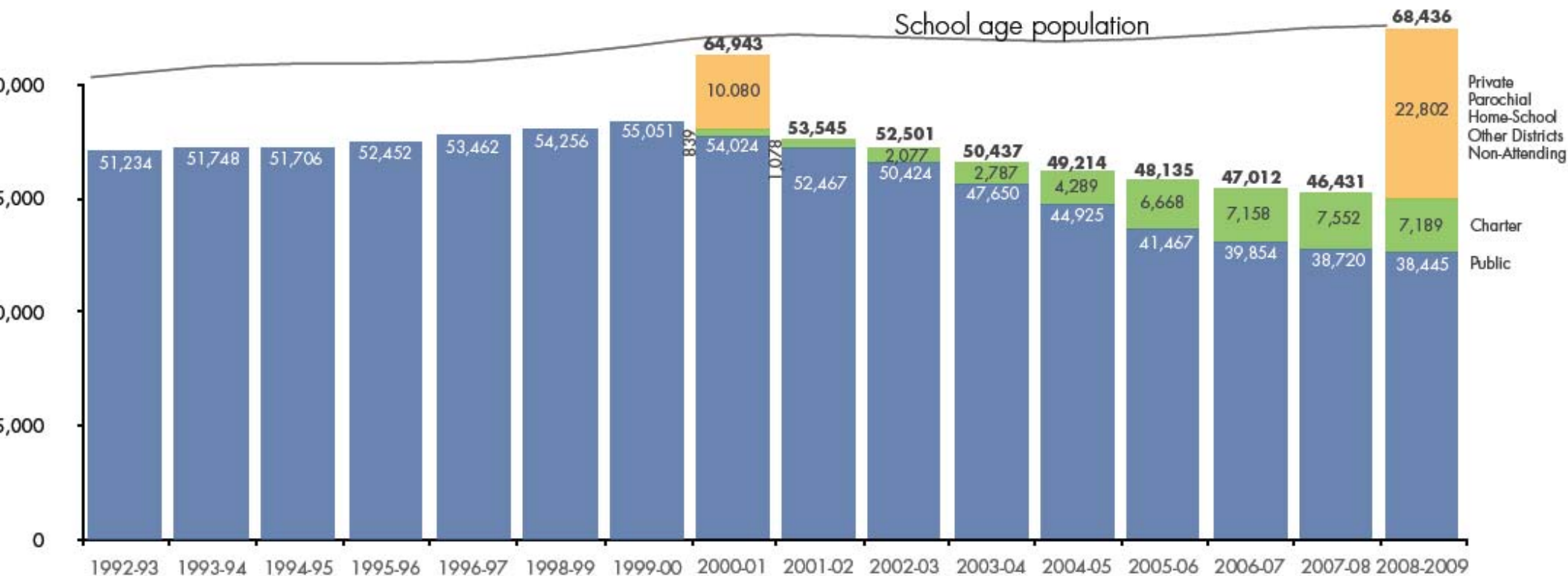
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OUSD Historic Enrollment Figures, 1992 - 2009

- Enrolled students peaked at 55,000 in 1999-2000
- Approximately half of the public school enrollment decline has been absorbed by charter schools
- Non-public school enrollment has nearly doubled since 2000

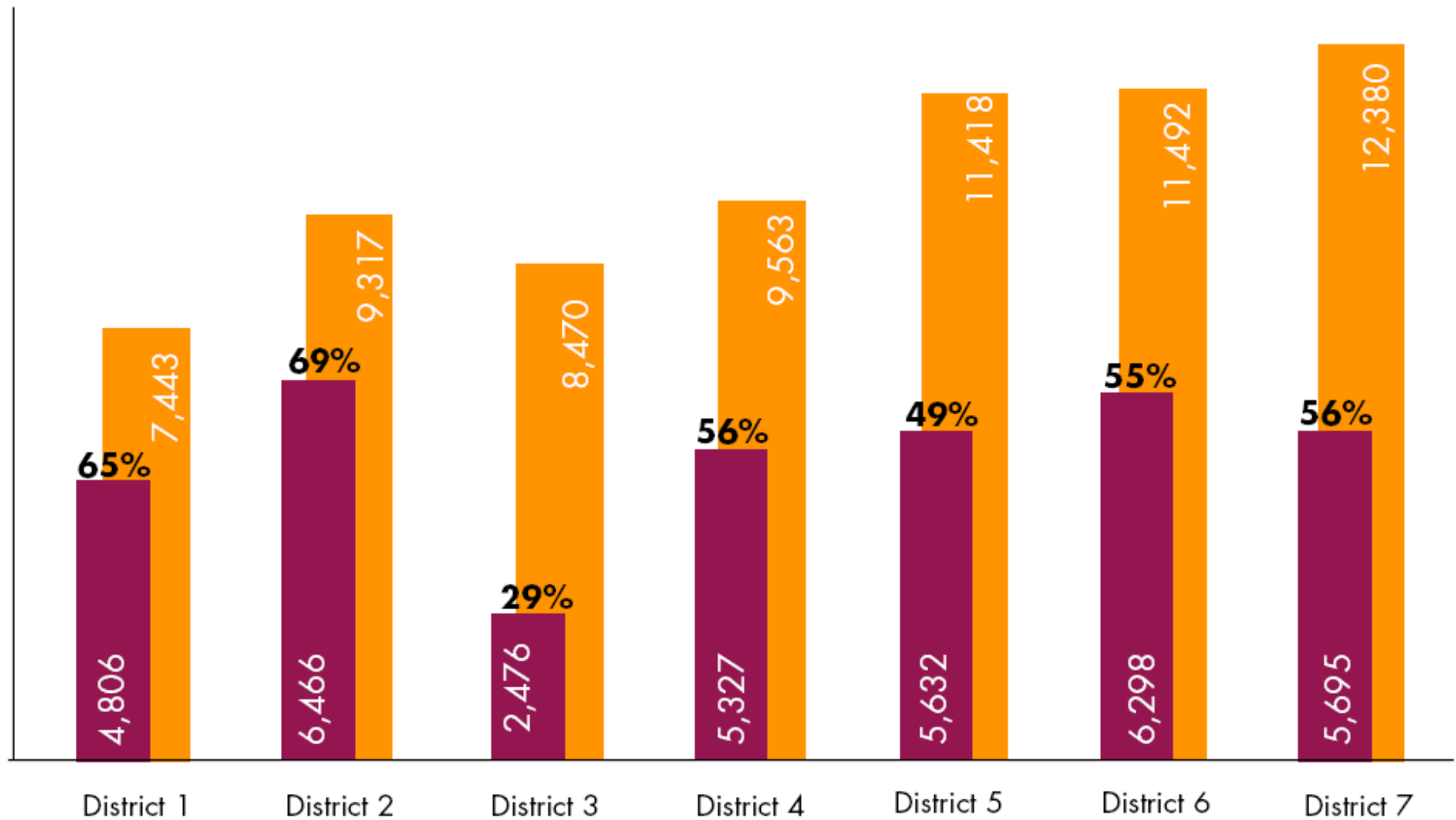


Source: www.greatschools.net, www.ed-data.k12.ca.us, CA Department of Education, National Center for Education Statistics (1990, 2000 U.S. Census Data), MKThink Research

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Student capture rate ranges from 29% - 69% by district



Source: Claritas, CA Department of Education, National Center for Education Statistics (1990, 2000 U.S. Census Data), MKThink Research, OUSD Facility Utilization Report (2/13/09)

Existing School-aged Population

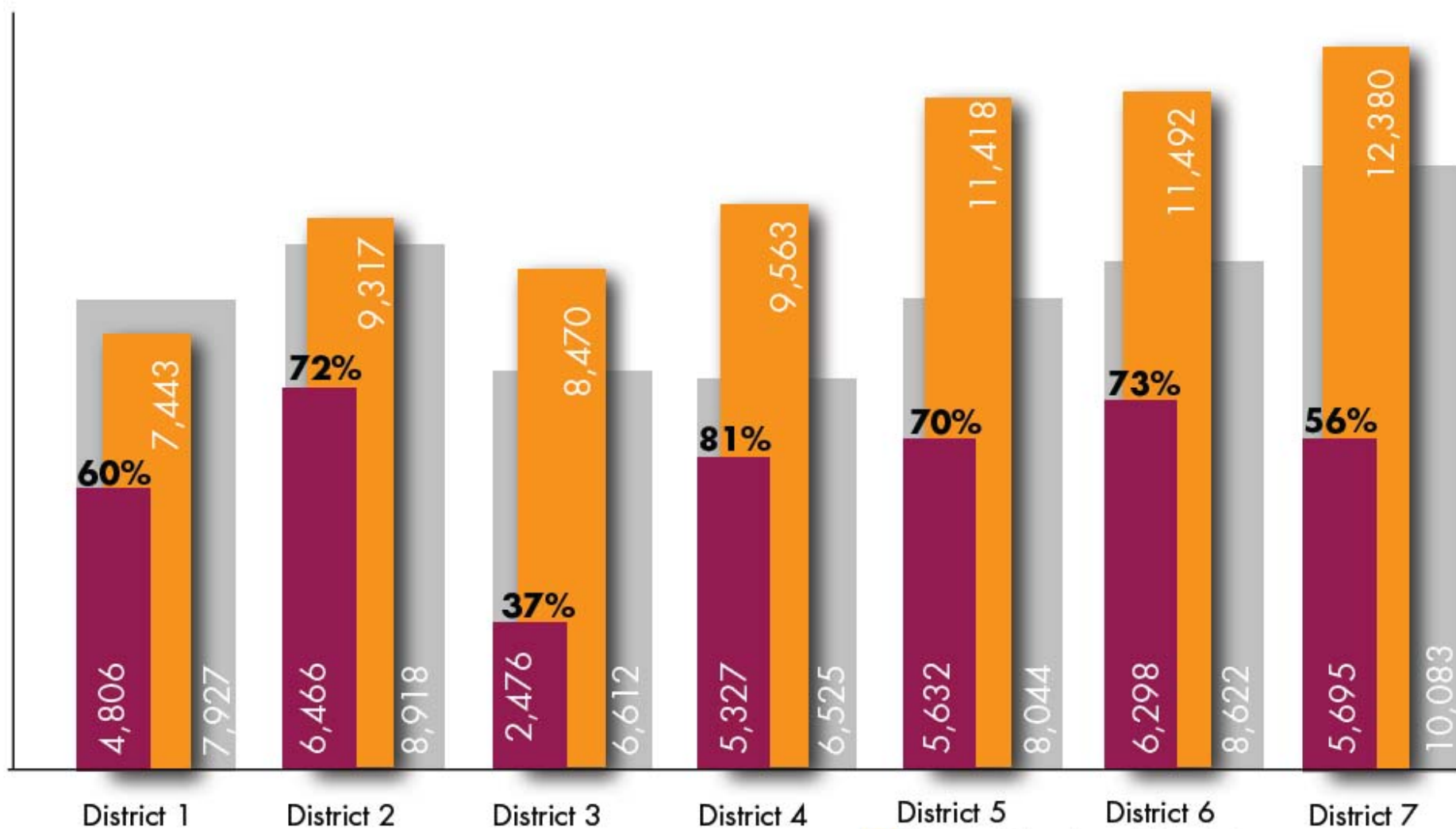
Enrollment in District Schools

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All districts have more capacity than enrollment



Source: Claritas, CA Department of Education, National Center for Education Statistics (1990, 2000 U.S. Census Data), MKThink Research, OUSD Facility Utilization Report (2/13/09)

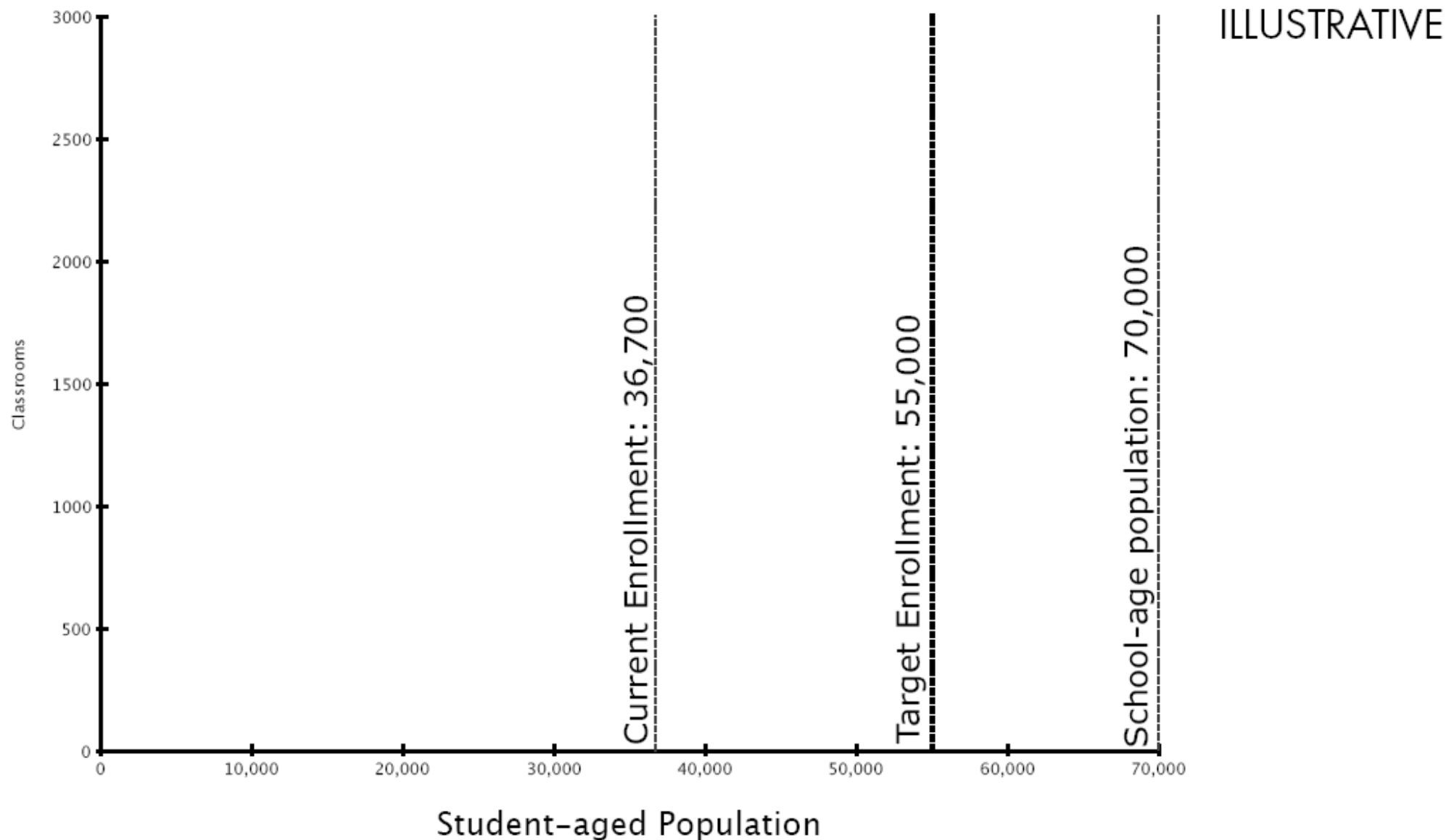
Existing School-aged Population
Enrollment in District Schools
Existing Student Capacity in OUSD Facilities

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Aligning physical assets with current and future demand



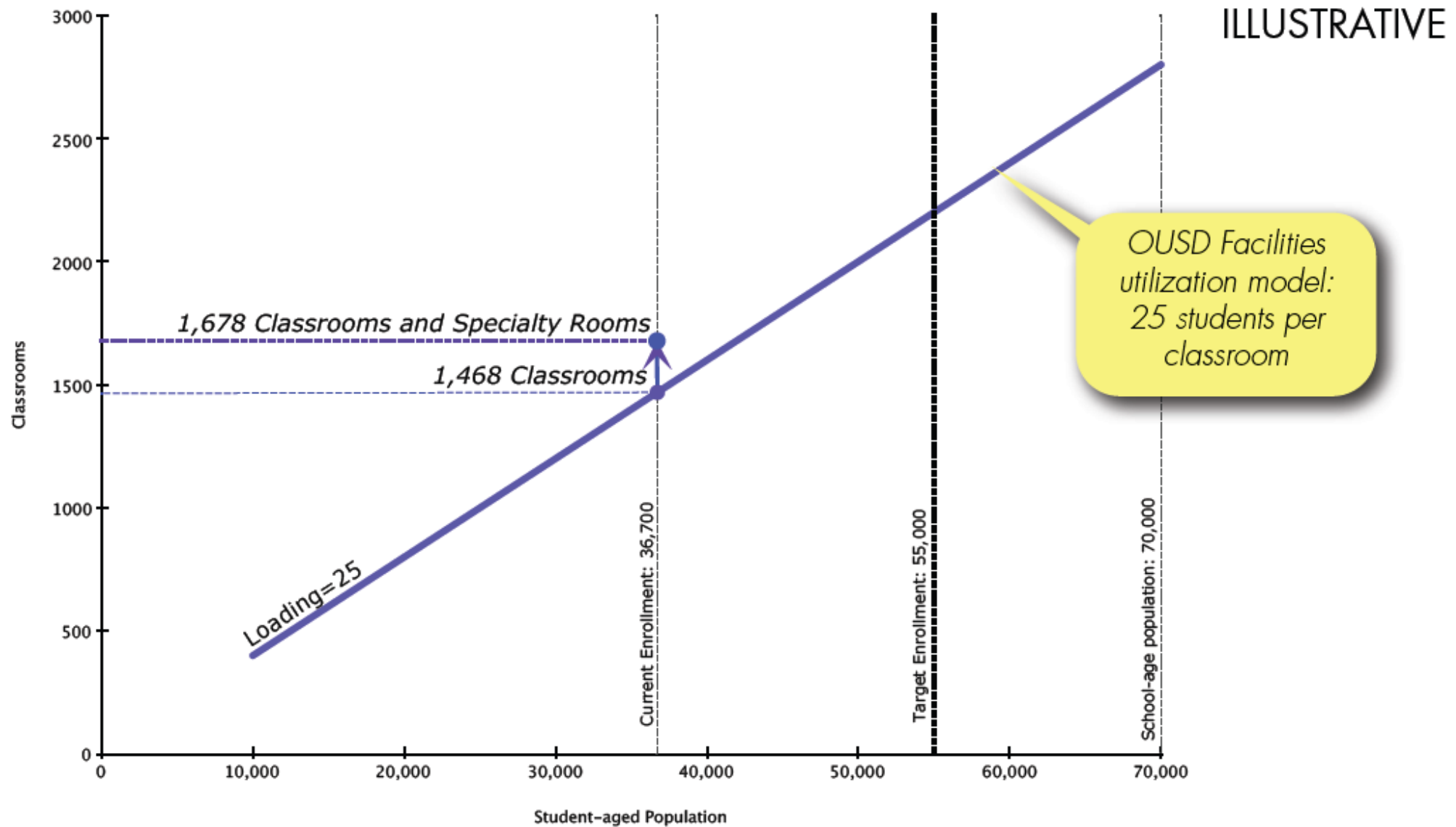
Source: Claritas, OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)

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Aligning physical assets with current and future demand

Current Need



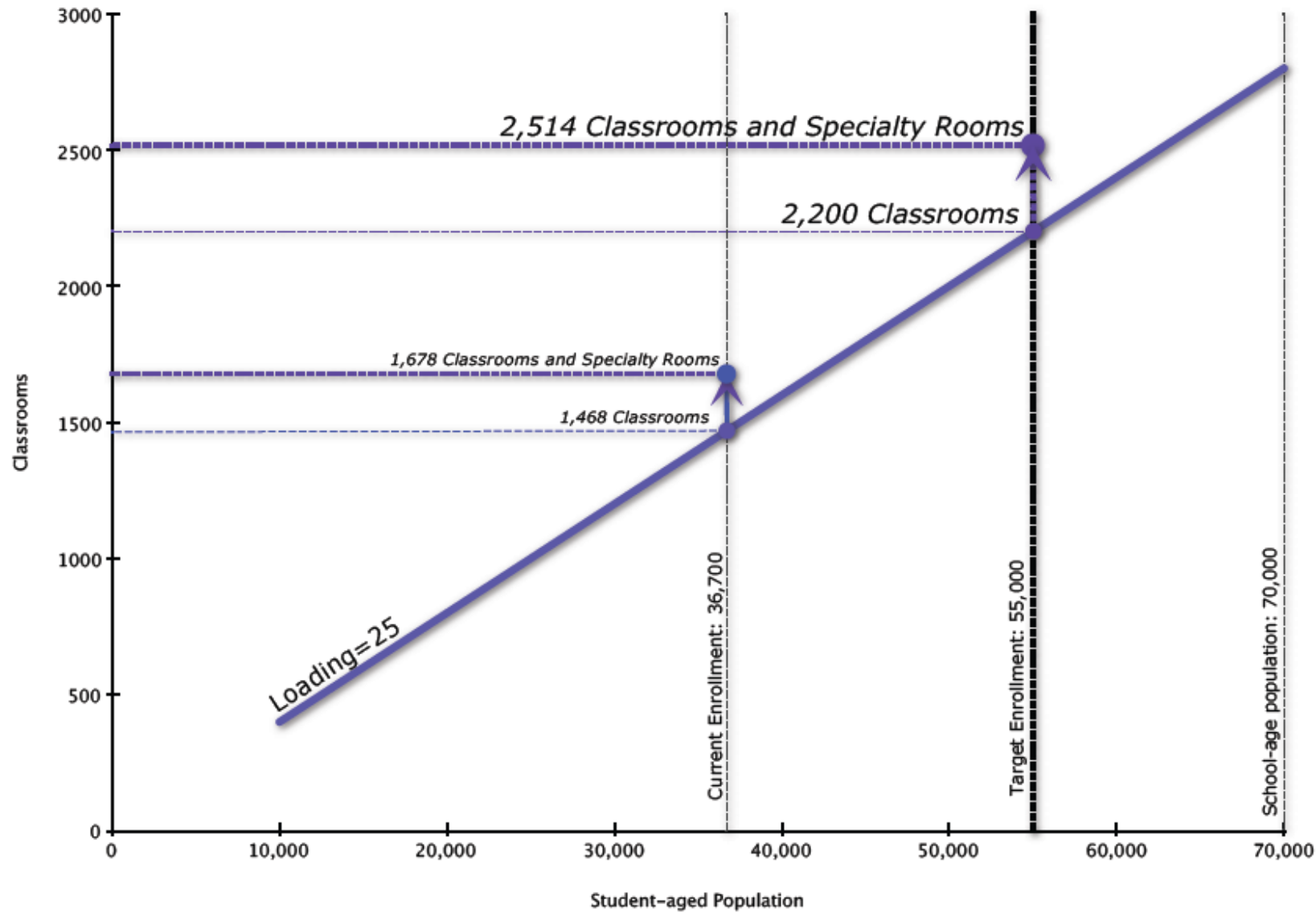
Source: Claritas, OUSD Site & Building drawings, Site inspection, 2005 Facilities Master Plan, Satellite images, OUSD Facility Utilization Report (2/13/09)

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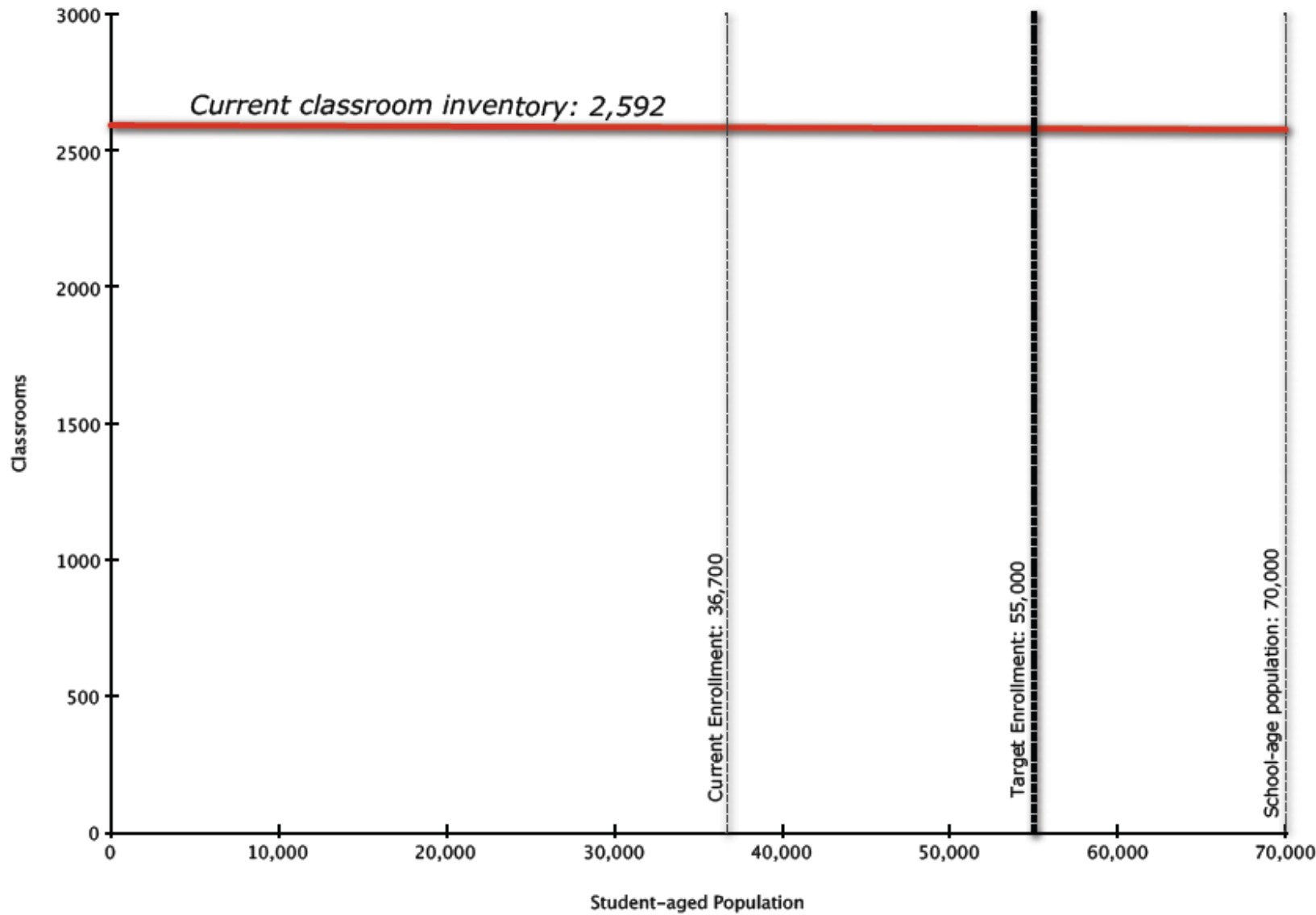
Aligning physical assets with current and future demand

Future Need



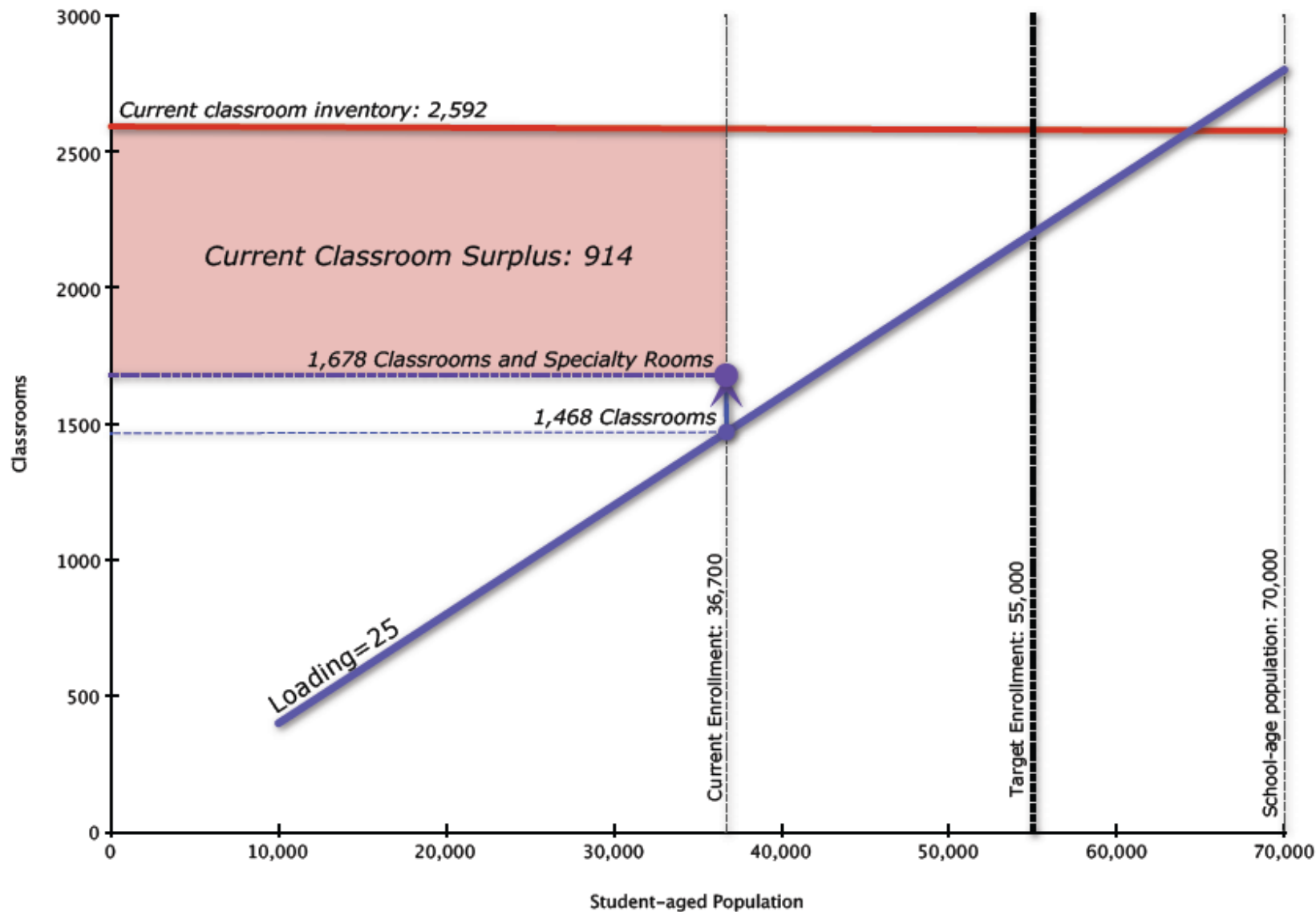
Aligning physical assets with current and future demand

Current Inventory



Aligning physical assets with current and future demand

Current Surplus

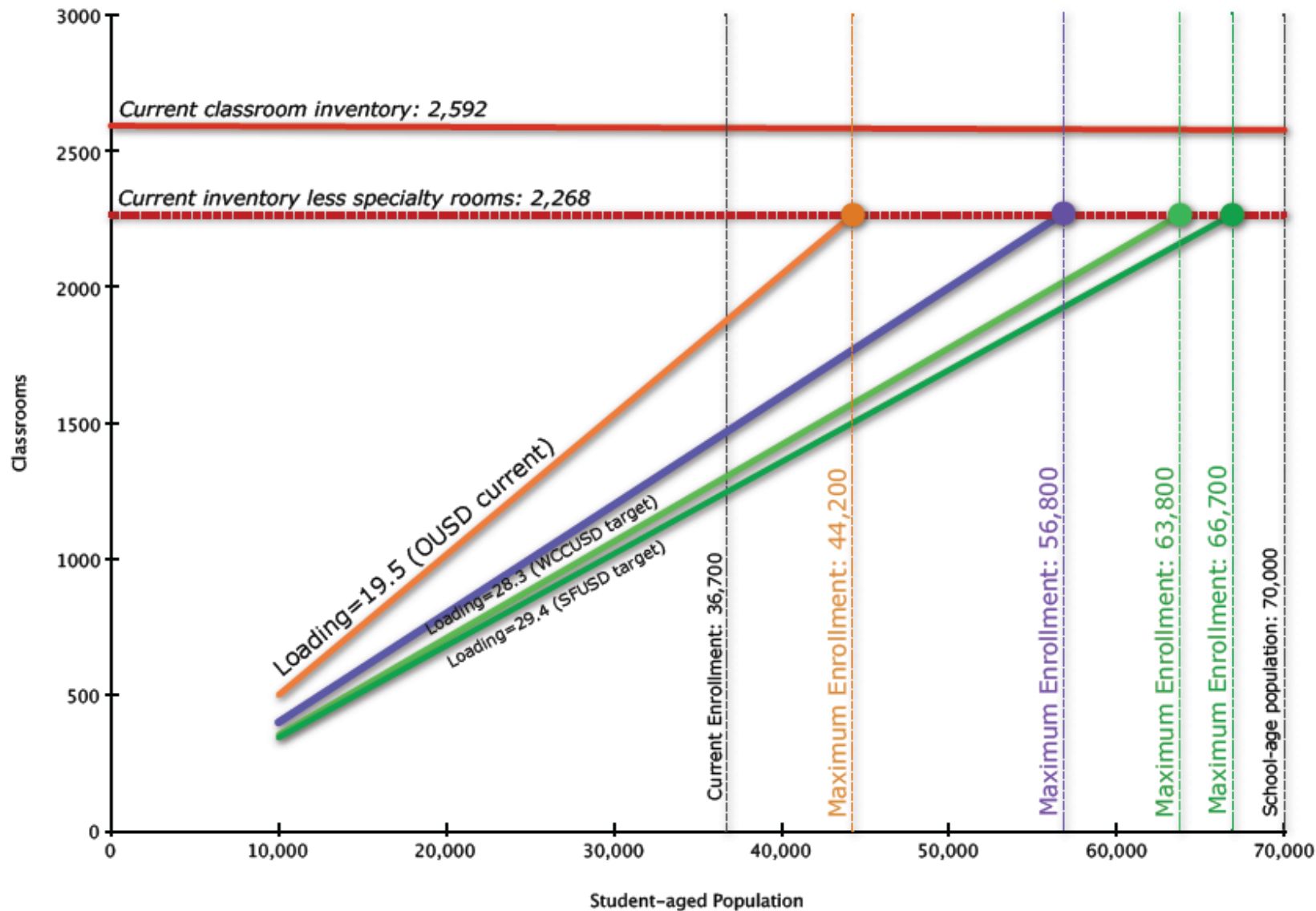


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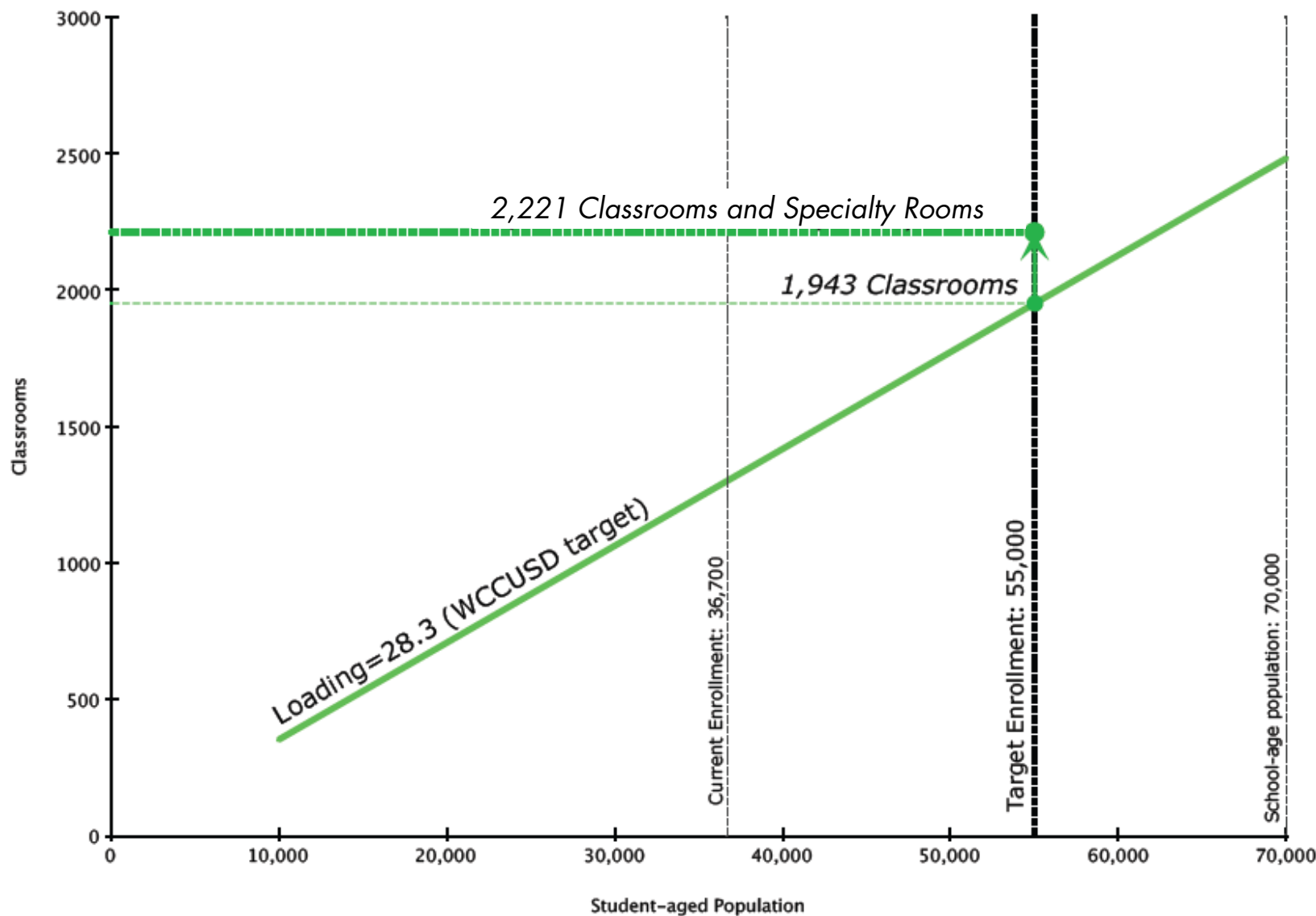
Aligning physical assets with current and future demand

Loading Factors and Maximum Enrollment



Aligning physical assets with current and future demand

Target Loading and Demand

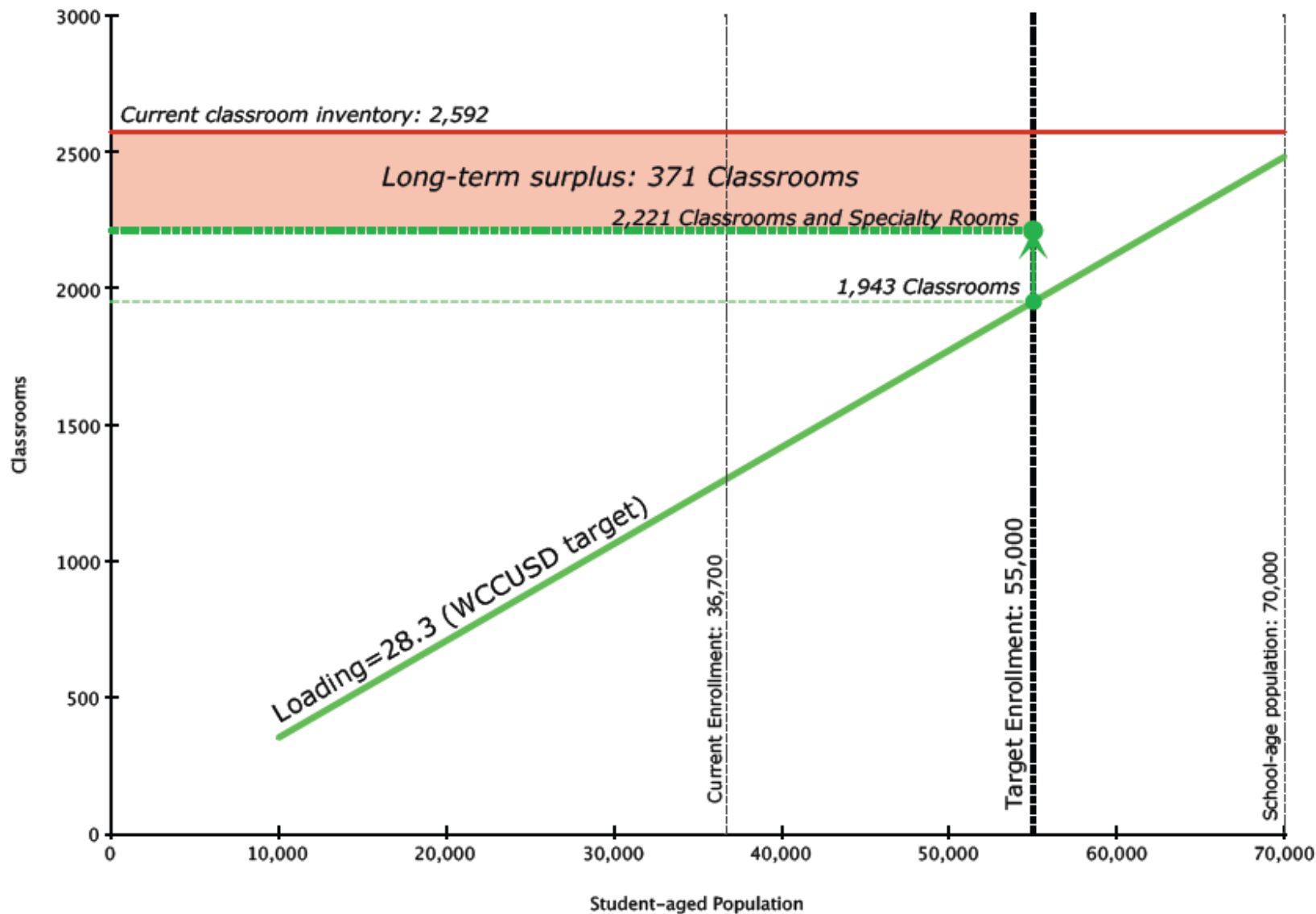


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Aligning physical assets with current and future demand

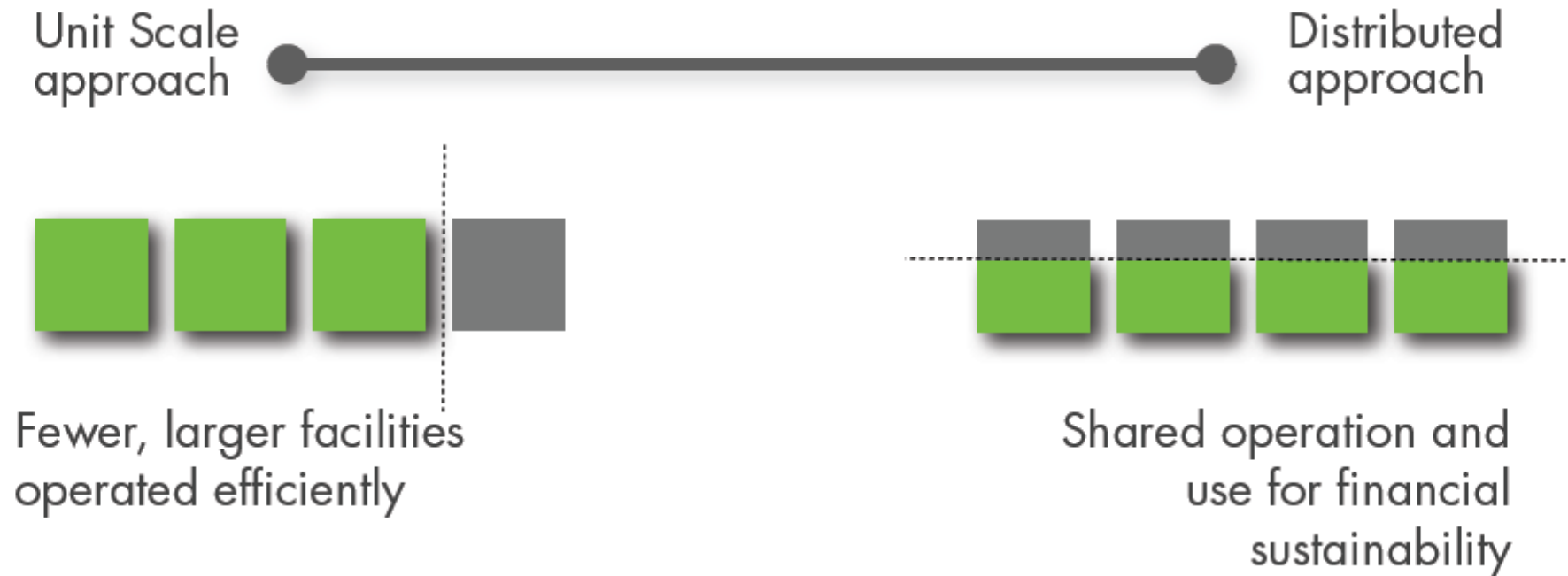
Long Term Surplus



ILLUSTRATIVE

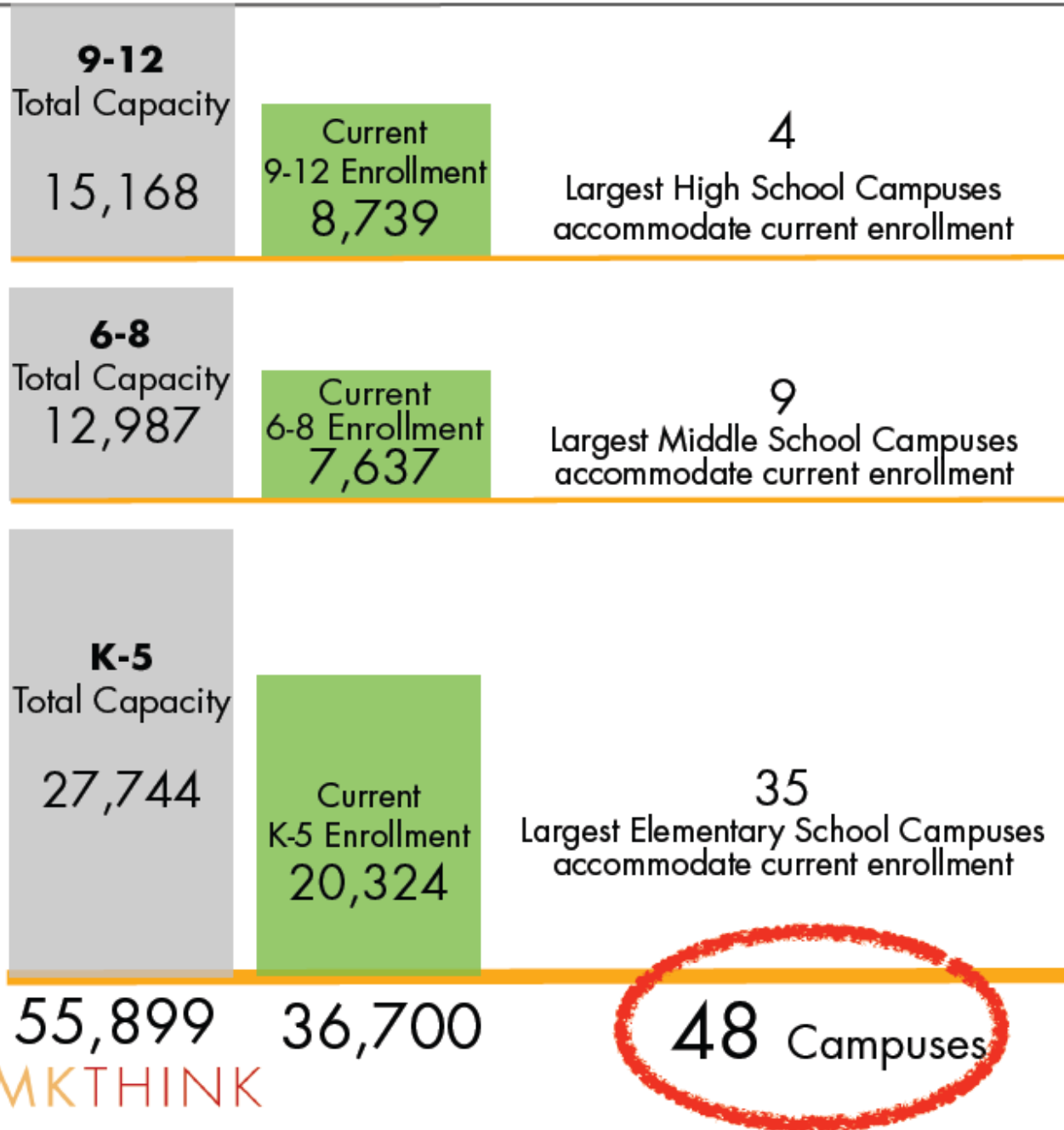
3. Asset Alignment Strategies

Addressing Overcapacity



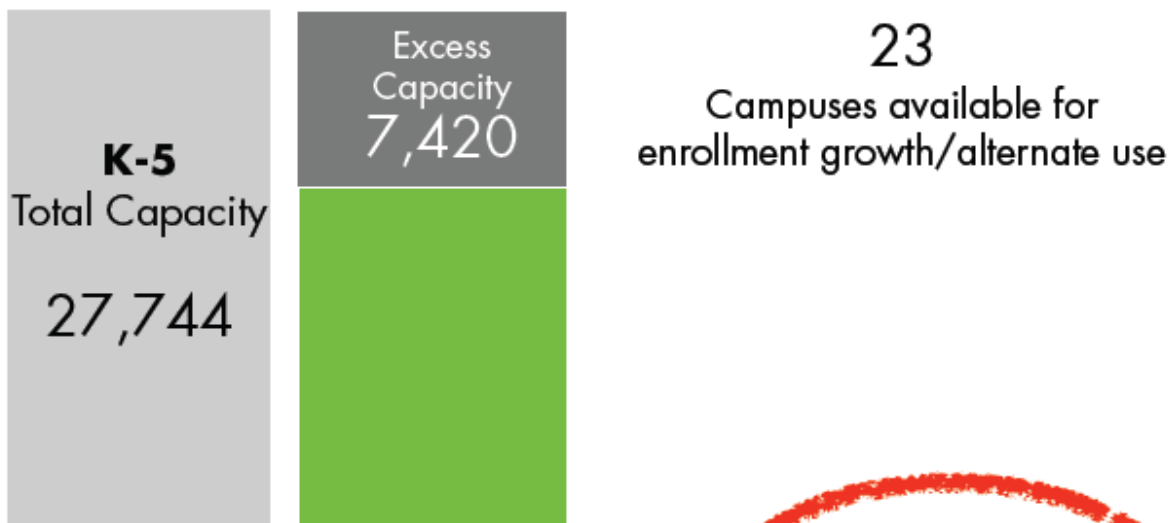
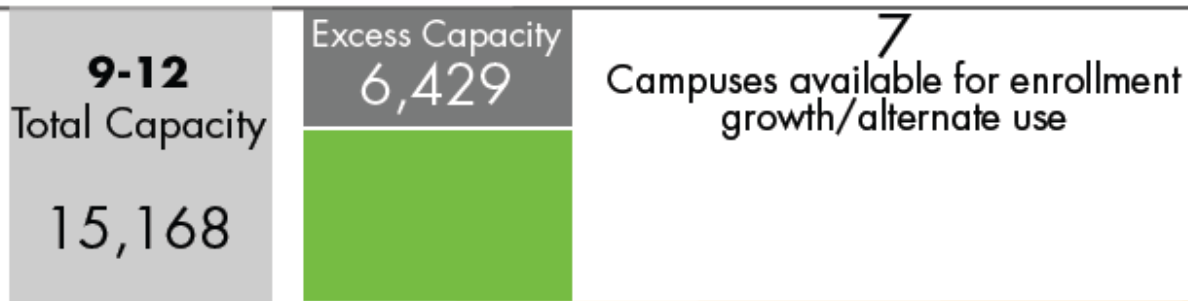
Meeting Enrollment Demand

Current Capacity



Meeting Enrollment Demand

Excess Capacity



55,899 19,199 **40** Campuses



High Efficiency School Choice Model



- Optimize utilization of highest capacity campuses
 - Only operate as many campuses as required to meet current enrollment
 - Protect unused campuses for future enrollment growth
 - Alternate users (short/medium term); maximize shared use with community groups
 - Prioritize income producers
 - 24/7 Zone for off-peak weekday and weekend uses
 - Consider public/private partnerships for redevelopment
 - Sell/jointly develop properties not needed for long-term student demand

Enabling Legislation: Joint occupancy and use strategies

AB1200 and California Government Code 54220-54232

Allows states to oversee school districts to ensure that they meet their financial obligations

Empowers school districts holding real property to sell and lease any surplus property to meet financial obligations

California Education Code Section 17515:

"Any school district may enter into leases and agreements relating to real property and buildings to be used jointly by the district and any private person, firm, or corporation pursuant to this article."

AB 1080:

"Authorizes joint-use, joint ownership agreement with a governmental agency to construct a new school and community services facility on land owned by the school district."

- These pieces of legislation form the legal foundation for disposition, joint-use public-private redevelopment strategies
- Districts can now develop more flexible alternatives for using and repurposing school facilities with a number of partners
- Beginning in 1996, State funds have been made available to fund joint occupancy and shared use projects

Source: http://www.totalcapitol.com/?bill_id=9572...; <http://law.onecle.com/california/education/17515.html>

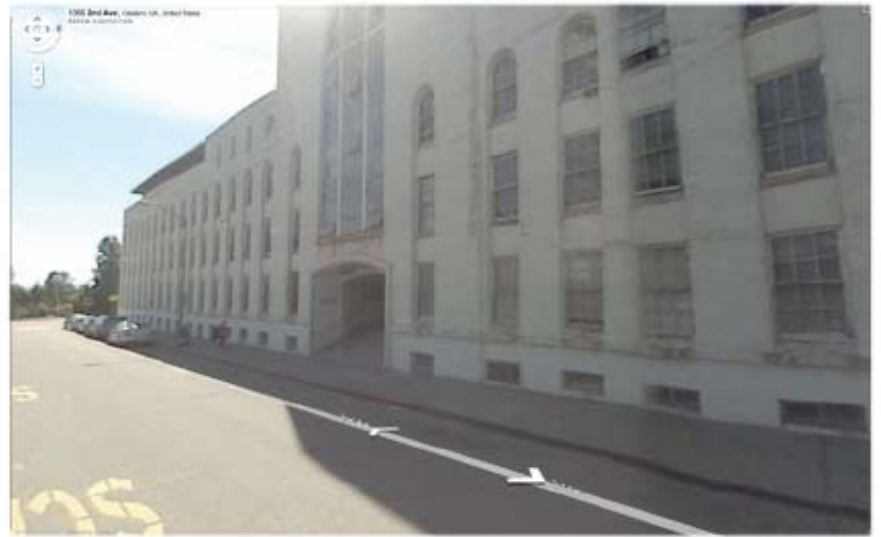


What do we do with excess capacity?

Short and Midterm Strategies

Maintain control of facility assets for future school use (5-10 years)

- At larger sites, fill under-enrolled schools to capacity with students
- Lease full sites to charters and/or other school entities, including private schools
- Move OUSD and other city offices out of leased space and onto vacant district-owned space
 - lease additional specialty spaces for day, evening and weekend use to community groups (gym, auditorium, etc.)
- Lease facilities as is to private or public corporations



OUSD Headquarters
1025 2nd Avenue Oakland, CA 94606



What do we do with excess capacity?

Mid to Long-term Strategies

Redevelop but maintain control of core assets for long-term future use

- Lease portion of sites to charters and small private schools, while redeveloping remaining site for district-friendly use
- Develop select site(s) as energy production sites for the district as well as other municipal partners
- Seek out joint-occupancy partners for redevelopment of all or portions of properties into:
 - teacher and staff housing
 - mixed-use community centers:
 - library
 - fitness and recreation
 - childcare and teacher education
 - multi-purpose space
 - office/conference centers



Joint Occupancy Precedents: Glassell Park Early Childhood Education Center, LA

Who: Abode Communities and the Los Angeles Unified School District (LAUSD)

What: first development of its kind to co-locate housing and LAUSD school on the same site



Benefits to LAUSD

- 175 student capacity Early Education Center
- 55 units replacement housing for homes displaced by other Los Angeles Unified school District construction projects
- Use of 20 additional parking spaces for district employees
- On-going lease payments to the LAUSD's general fund
- Joint use of the Early Education Center play area
- Eligibility for Proposition 55 joint use facility funds for Early Education

What do we do with excess capacity?

Disposition Strategies

Who:

OUSD and West Clawson Lofts

What:

- 3 acre abandoned school site was purchased for \$135 k in 1998 after 2-year negotiation
- 1999 Conversion of former Clawson School into 28 Unit Loft Complex
- features 15 foot ceilings and 10 foot windows
- 2004-2008 average sale price:
 - \$389 per square foot
 - \$438 average price per unit



Sell assets

- Sell appropriate properties for private residential or commercial redevelopment where land has market value



High Efficiency School Choice Model: Advantages & Challenges



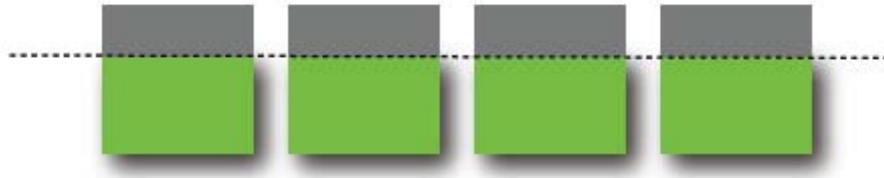
Advantages

- Potential for immediate income generation through redevelopment alternatives
- Savings from school closures
- Efficient operations and administration achieved with relative ease due to consolidation
- Reduced operating costs
- Create small schools within larger campus
- Provide opportunities for themed schools

Implementation Challenges

- Potential for disproportionate distribution of schools across the district
- Students may have to commute to a school not in the immediate vicinity of their homes
- Perception that large scale inappropriate to small school ethos
- Savings not realized immediately in short term

School as Center of Community Model



- Make all campuses economically sustainable
- Incorporate complementary and income producing uses into existing campuses
 - Operate all campuses needed for long term demand
 - Change administration and operational model to ensure long term sustainability
- Align with long-term district wide attendance model

School as Center of Community Model

Assess capacity relative to OUSD student population within attendance area

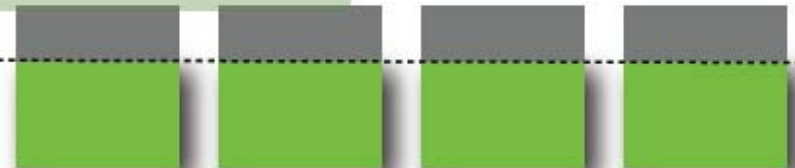


- OUSD Elementary School students
- OUSD Middle School students
- OUSD High School students

Example of OUSD school elementary school attendance boundary

Accommodating Neighborhood Student Population

	<div> <div></div> <div> <div></div> <div></div> </div> </div> OUSD Students Exceed Attendance Area Capacity	<div> <div></div> <div> <div></div> <div></div> </div> </div> Attendance Area Capacity Accommodates OUSD Students	<div> <div></div> <div> <div></div> <div></div> </div> </div> OUSD Enrollment is Below Attendance Area Capacity
High Schools	0	1	5
Middle Schools	3	0	10
Elementary Schools	8	8	34
Impact	<ul style="list-style-type: none"> Insufficient capacity for neighborhood students 	<ul style="list-style-type: none"> Capacity for current neighborhood students Limited room for enrollment growth 	<ul style="list-style-type: none"> Capacity for current neighborhood students Room for enrollment growth and expanded choice Space available for community uses



Strategies for accommodating excess classroom capacity at different scales

Equivalent of 1-3 Classrooms

- eliminate 1-3 portables
- capture additional students not currently OUSD enrolled
- appropriate for short-term lease opportunities

Priorities for short-term lease strategies:

- Charters and incubating private schools
- Small professional firms seeking moderately priced leased space
- Viable community services or community organizations serving students and neighborhood-wide populations



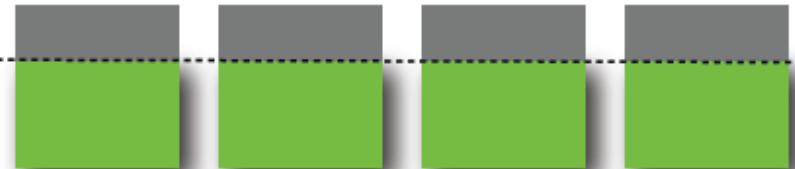
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<http://www.nhimassageblog.com/wp-content/uploads/2009/01/senior-clinic-day.jpg>



Strategies for accommodating excess classroom capacity at different scales

Equivalent of 4-10 Classrooms

- Eliminate 4 -10 portables and/or retire obsolescent facilities
- Lease to charter or private school
- Lease to medium-scaled community service and/or child care center
- Lease as is to local small businesses or renovate for longer- term tenant base



Strategies for accommodating excess classroom capacity at different scales

Equivalent of
11-15 Classrooms

- Eliminate portables and/or retire obsolescent facilities
- Fill capacity for expanded school choice option / magnet
- Lease space to charter or private school
- Lease / develop excess area for mixed-use community center:
 - library
 - fitness and recreation
 - childcare and teacher education
 - multi-purpose spaces
- Long-term lease / joint occupancy agreement with private and/or public entity



<http://images.google.com/imgres?imgurl=http://www.school designs.com>
<http://www.designshare.com/portfolio/project/1/546/Libraries%20Interior%20ins>



Strategies for redeveloping excess acreage and capacity

Additional Site
Capacity
1-5 acres

- Lease as sport field / recreational resource
- MOU with parks and recreation for maintenance and operation as park and/or community garden
- Long-term lease / joint site occupancy agreement with private and/or public entity
 - teacher and/or below market rate housing
 - municipal facilities
 - parking
 - community centers:
 - library
 - fitness and recreation
 - childcare and teacher education
 - multi-purpose space



Joint Occupancy Precedents:

Selma Elementary School Workforce Housing and Joint Parking Project

Who: Abode Communities and the Los Angeles Unified School District (LAUSD)

What:

- 60 below-market apartment rentals targeted to teachers and staff
- underground parking with separate entrances for district parking
- Community center with computer lab



Benefits to LAUSD:

- The receipt of on-going lease payments to the district's general fund
- The provision of affordable housing for teachers and staff
- The ability to create new community amenities
- Abode Communities will finance and build the project and operate the housing and any amenities according to the terms of the lease.

Joint Occupancy Precedents: Emeryville Center for Community Life

Who: Emeryville Center for Community Life, Partnership between the Emery Unified School District and City of Emeryville

What:

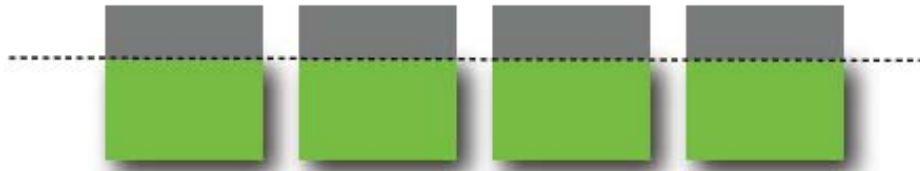
- Emery Secondary School Campus (7-12)
- Anna Yates Elementary school
- EUSD Administration
- Health, wellness, and social service center for students and community members
- Parenting center for students and community members
- Indoor and outdoor recreation facilities for students and community members
- Teen after-school programs to promote public safety



Conceptual Renderings, Nexus Partners

School as Center of Community Model

Advantages and Challenges



Advantages

- Schools become vital centers for community
- Potential for immediate income generation through alternative public use
- Enrollment distribution becomes more predictable as desire to attend neighborhood schools increases

Implementation Challenges

- Balancing school choice and neighborhood enrollment
- Shared use policies with non-school occupants
- Operational changes required to achieve economic sustainability

5. Next Steps

Next Steps

- Understand financial implication of various asset management approaches
- Develop specific asset management strategies at the school level