

James F. Oyster
Bilingual Elementary
School and Henry
Adams House

Washington, D.C.

Project Type:
Mixed-Use/Multi-Use

Case No:
C033004

Year:
2003



SUMMARY

A public/private partnership to develop a new school and a multifamily building containing 211 rental units on school land. The overcrowded and deteriorated James F. Oyster Bilingual Elementary School was replaced with a new building constructed on an urban infill site in the Woodley Park neighborhood of Washington, D.C., that was designed to be highly efficient and accommodate 50 additional students. The 47,158-square-foot (4,381-square-meter) state-of-the-art facility includes a computer lab, a library, a gym, a 33-car garage for school staff, and office space for after-school programs. Henry Adams House is a luxury apartment building that features a concierge service, a fitness center, a business center, a party room, and underground parking.

FEATURES

- Public/private partnership
- Innovative financing of public school facilities
- Urban infill development

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SPECIAL FEATURES

- Public/private partnership
- Innovative financing of public school facilities
- Urban infill development

PROJECT ADDRESS

Calvert and 29th streets, N.W.
Washington, D.C.

OWNER/DEVELOPER

LCOR Incorporated
6701 Democracy Boulevard, Suite 711
Bethesda, Maryland 20817
301-897-0002
Fax: 301-897-3713
www.lcor.com

Northwestern Mutual Life
8444 Westpark Drive
McLean, Virginia 22102
703-269-6600
Fax: 703-228-9181
www.northwesternmutual.com

CONSULTANT

21st Century School Fund
2814 Adams Mill Road, N.W.
Washington, D.C. 20009-2204
202-745-3745
Fax: 202-745-1713
www.21csf.org

ARCHITECTS

Oyster School:
Jacobs Facilities
1300 Wilson Boulevard
Arlington, Virginia 22209

www.jacobsfacilities.com

Henry Adams House:
Torti Gallas and Partners, CHK
1300 Spring Street, fourth floor
Silver Spring, Maryland 20910
301-588-4800
Fax: 301-650-2255
www.tortigallaschk.com

LANDSCAPE ARCHITECT

Parker Rodriguez
101 North Union Street
Alexandria, Virginia 22314
703-548-5010
Fax: 703-548-6280

CONSTRUCTION

Donohoe Construction Company
2101 Wisconsin Avenue, N.W.
Washington, D.C. 20007
202-333-0880
Fax: 202-342-3924
www.donohoeconstruction.com

GENERAL DESCRIPTION

A public/private partnership to develop a new school and a multifamily building with 211 rental units on school-owned land. The overcrowded and deteriorated James F. Oyster Bilingual Elementary School was replaced with a new building constructed on an urban infill site in the Woodley Park neighborhood of Washington, D.C., that was designed to be highly efficient and allow for 50 additional students. This 47,158-square-foot (4,381-square-meter) state-of-the-art facility features a computer lab, a library, a gym, and classrooms designed to accommodate the school's bilingual education program, where every class is taught by both an English- and a Spanish-speaking teacher. The facility also includes a 33-car garage and office space for after-school programs. Many spaces in the school are available for community use. Henry Adams House is a 219,844-square-foot (2,042-square-meter) luxury high-rise apartment building with a rooftop terrace, a courtyard, fitness and business centers, and a party room.

Located in the sought-after Woodley Park neighborhood of Washington, D.C., the project is within walking distance of the subway, National Zoo, and the many eclectic shops and restaurants that line Connecticut Avenue. Situated on a gently sloping site in a mostly residential neighborhood, the Oyster School anchors the corner of Calvert and 29th streets. Hotels and multifamily residential buildings surround the site, but townhouses and single-family homes lie just beyond.

A national real estate development, investment, operations, and asset management company, LCOR Incorporated specializes in public/private development. Its clients include government agencies, public authorities, and universities, as well as private landowners and institutional investors. In addition to public/private development, LCOR also undertakes private multifamily and commercial projects and is an owner in many of its developments. Principally focused on the Northeast and the New York, Philadelphia, and Washington, D.C., metropolitan areas, the company also has existing or planned projects in a number of states, including Colorado, Illinois, North Carolina, and Texas.

DEVELOPMENT PROCESS

During the late 1980s, the James F. Oyster Bilingual Elementary School, built in 1926, was overcrowded, deteriorated, and failed to comply with the requirements of the Americans with Disabilities Act. The challenge was to determine whether to renovate or reconstruct, and how to finance improvements at a time when the local government was in fiscal crisis and did not have the funds for any improvement projects.

Led by concerned parents, the local community began a crusade to secure alternative sources of financing to fix up the school. The 21st Century School Fund was created in 1994 by Mary Filardo, an Oyster School parent with construction and community activism experience, to develop a plan for the rehabilitation of the school, with the initial idea to divide the property in half in order to capture the land value of the site as a way to generate the monies necessary for renovation. The Ford Foundation provided funding to the 21st Century School Fund to spearhead the effort to create a public/private development partnership to modernize the Oyster School. Parents donated their time and skills to evaluate the needs of this educational facility and work with residents of the surrounding community. The 21st Century School Fund formed a partnership with the District of Columbia Public Schools to petition the city council, the mayor, and the board of education to support the project. The partnership proposed the erection of a new educational and residential complex instead of rehabilitation of the old facility. This plan combined a modern school design with a rental apartment community on the school site.

Key to the project's feasibility was legislation passed by the D.C. council in 1996 providing for payment by the developer to the school system in lieu of taxes for the residential development. These payments were used to cover any construction costs beyond the value of the land; assist in paying for relocation costs during the construction process and new furnishings for the modernized school; and provide funding for capital projects at other D.C. public schools. The District of Columbia Public School System, with assistance from the 21st Century School Fund, issued a request for proposals, and LCOR was chosen as the developer in 1998.

At that time, few developers were building apartments in the District. LCOR was interested in developing high-rise residential projects, and felt it was at the forefront of a rising trend in urban housing. The Oyster School project provided the opportunity for infill development on what the firm believed was one of the best sites for apartments in Washington.

Throughout the nine-year process, the project survived many political changes—three mayors, four school superintendents, four school district governance structures, and seven project managers. With such a high turnover, the new school—the first new one constructed in D.C. in over 20 years—would never have been completed in 2001 without the support of the 21st Century School Fund, "which paid for technical assistance in planning, project management, design, and community engagement and leveraged funding for the \$11 million construction project." A development partnership was formed based on the time and talents of community members experienced in real estate, architecture, and development. The result of this effort was an innovative public/private partnership among the school system (supported by the 21st Century School Fund), the District of Columbia, and LCOR.

FINANCING

A 35-year, tax-exempt bond package was issued to finance school construction, which LCOR and Northwestern Mutual Life are repaying. The bonds are now being repaid entirely with revenue generated by the private apartment building developed on the site. The school contributed an underutilized playing field as part of the partnership agreement, on which LCOR constructed Henry Adams House. LCOR and Northwestern Mutual make annual payments to retire the school construction bonds in lieu of taxes. This financing plan allowed for the construction of a \$11 million new school with no capital costs to the school system.

The total project cost for Henry Adams House was \$29.8 million. LCOR projected and has met its lease-up pace of 14 units per month, with rents averaging \$2.02 per square foot (\$21.72 per square meter) per month, and has a projected net operating income in excess of \$2.9 million for an annual return on cost of 9.92 percent.

PLANNING AND DESIGN

There were only a few site issues that had to be dealt with during the construction process. Soil contamination due to an underground oil storage tank was remediated. Construction workers had to blast through layers of rock to build the underground parking garage. And, significant retaining walls had to be built on the north side of the school's playing fields and between the properties to the east behind the apartments.

The architect's design recognizes the important role that the school plays in the Woodley Park community. Although the ideal location for the apartment building was on the corner of 29th and Calvert streets, the developer realized that siting it there would result in the school's being "sandwiched" between two taller buildings. It also would be out of context with the single-family residential neighborhood across 29th Street. The design of the school at the corner of this important intersection is in scale with the surrounding environment and provides a focal point for the community.

The 47,158-square-foot (4,381-square-meter) school consists of four floors above grade with a 12,000-square-foot (1,115-square-meter) underground garage. Its design features an open, two-story gym on the second floor, with a cafeteria directly below. The masonry and steel building has a strong street presence, with a brick veneer exterior and a gracious cupola.

The 219,844-square-foot (20,423-square-meter) luxury high-rise apartment building contains 211 studio, one-, and two-bedroom units. The concrete frame building has three levels of underground parking and features a rooftop terrace, an aerobics/weight room, a business center, and a courtyard. Other amenities include concierge services, designer kitchens with Corian countertops, and a full-sized washer and dryer in each unit. Units range in size from 578 square feet (53 square meters) for an efficiency that rents for \$1,140 per month to a 1,146-square-foot (106-square-meter) unit with two bedrooms and two bathrooms that rents for \$2,440 per month. Each apartment is allotted one parking space for \$100 per month.

The buildings blend into the existing neighborhood. The same brick was used in both edifices to continue the red brick color palate of the street. A continuous sidewall lines Calvert Street to present a united appearance. A breezeway connects the school to the apartments, giving the impression of integrated buildings so that the projects are considered one structure for zoning purpose.

MARKETING AND MANAGEMENT

Henry Adams House is over 80 percent leased. The project is marketed through advertisements in the *Washington Post* and *Shopper Guide* and on Internet apartment search sites such as www.springstreet.com. Using flyers and bookmarks to spark interest in the community has proven to be unsuccessful. The property manager believes that potential renters in the Henry Adams House price range are familiar with the properties available in the prime neighborhoods of Washington, D.C., and are very specific in their location choices. The staff employs a "show list" of apartments, purposely limiting the number of available units at a given time in order to create urgency among potential renters.

LCOR manages the building, staffing the front desk 24 hours a day and making on-call maintenance available. The property manager offers high-quality tenant services, including well-attended monthly resident events, such as impromptu cheesecake parties. The front desk lets residents borrow the latest VHS and DVD movies (for free), and provides dry-cleaning service, and package pickup, limousine service, and other typical concierge services.

EXPERIENCE GAINED

Public/private partnerships can be successful if structured correctly. In this case, the cost of the public benefit (the school) and the value of the public contribution (the land) were balanced. However, there are risks involved—the school was \$1 million over budget and LCOR was responsible for the difference.

Seeking a project in which it could give back to the community, the developer found the rare opportunity to contribute to the neighborhood and develop a financially successful multifamily project.

Using the same construction company for both the school and the apartments enabled construction of each building to take place simultaneously—the site was extremely tight, and two different construction companies would not have been able to work together on the site at the same time.

PROJECT DATA			
LAND USE INFORMATION			
Site area (acres/hectares): 1.68/0.70			
GROSS BUILDING AREA			
Use	Area (Square Feet/Square Meters)		
Residential	219,844/20,423		
School	47,158/4,381		
Parking (school)	13,172/1,224		
Parking (apartments)	92,808/8,622		
LAND USE PLAN			
Use	Acres/Hectares	Percentage of Site	
Buildings	0.79/0.32	47	
Parking	0.40/0.16	23	
Open space	0.49/0.20	29	
Total	1.68/0.70	100	
RESIDENTIAL UNIT INFORMATION			
Unit Type	Floor Area (Square Feet/Square Meters)	Number Leased	Range of Initial Rents
Efficiency	578/54	21	\$1,140
One Bedroom/One Bathroom	716–760/66.5–70.6	125	\$1,650–1,820
One Bedroom/Den	950–993/88.2–88.5	22	\$2,210
Two Bedrooms/Two Bathrooms	1,057–1,236/98–115	42	\$2,440–2,885
DEVELOPMENT COST INFORMATION			
Site acquisition cost: \$526,000			
Site Improvement and Construction Costs			
Residential: \$24,145,000			
Soft Costs			
Architecture/engineering: \$938,000			
Project management: \$1,449,000			
Marketing: \$330,000			
Legal/accounting: \$121,000			
Insurance: \$30,000			
Title fees: \$24,000			
Construction interest and fees: \$2,817,000			
Other PILOT/bond insurance/finance fees/operating deficit: \$1,614,000			
Total: \$7,323,000			
Total development cost: \$31,994,000			
Total development cost at completion (if different): \$32,200,000			
DEVELOPMENT SCHEDULE			
Planning started: 1998			
Construction started: December 13, 1999			
School completed: August 30, 2001			
Sales/leasing started: October 19, 2001			
Project completed: November 15, 2001			

DIRECTIONS

From Ronald Reagan Washington National Airport: Take the George Washington Parkway north to Memorial Bridge. Take Rock Creek Parkway north to the Calvert Street exit. Turn left at exit to 2701 Calvert Street for entrance to Henry Adams House. School is immediately west at the corner of 29th Street.

Driving time: 20 minutes in nonpeak traffic.

SOURCE

"Building Outside the Box. Public/private partnership: a strategy for improved public school buildings." The 21st Century

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A public/private partnership replaced the old dilapidated building with the new, 47,158-square-foot (4,381-square-meter) James F. Oyster Bilingual Elementary School. The architect's design recognizes the important role the school plays in the Woodley park community.



Henry Adams House is a 211-unit luxury rental apartment building. The concrete frame building has three levels of underground parking and features a rooftop terrace, an aerobics/weight room, a business center, and a courtyard.



A breezeway connects the Henry Adams House to the Oyster School.



Open, airy classrooms in the new school include built-in shelves as well as sinks and storage space for equipment and supplies.



This state-of-the-art gym can easily adapt for flexible uses.



Site plan.