

THE SCHOOL DISTRICT OF PITTSBURGH

ASSET MAXIMIZATION PLAN

For

Unused School Properties

EXECUTIVE SUMMARY



Presented by

FOURTH RIVER DEVELOPMENT LLC

April 9, 2013

- Evaluate closed school properties
- Present recommendations designed to maximize property values through enhancement procedures
- Site-specific disposition strategies
- Detailed preliminary asset management strategies.

Belmar	Beltzhoover	Bon Air
Burgwin	Columbus	Fort Pitt
Gladstone	Homewood (OLD)	Knoxville
Madison	Mann	McCleary
McNaugher	Morningside	Murray
Northview Heights	Rogers	Schaeffer
Schenley	Sheraden (Schaeffer)	Stevens



PROCESS

- Review School District policies and procedures that impact property values and disposition
- Evaluate the marketability of each of the individual properties.
- Independent third-party study using an “Owner’s” point of view to look for possible opportunities and obstacles that may not be apparent to School District management and Board Members.



HIGHLIGHTS OF RECOMMENDATIONS

- Work within Board Policy and the School Code to use all available means to sell/dispose of these unused properties.
- Utilize proceeds from recent sales of former District schools to offset the outstanding debt of the current unused properties.
- Establish a “reuse program” of operating equipment from closed schools.
- Retain all mineral rights upon sale of any School District real estate (not just these properties).
- Investigate utility usage and maintenance procedures to look for cost saving measures.
- Bundle school properties.



HIGHLIGHTS OF RECOMMENDATIONS

Continued

- ❑ Initiate a marketing effort for properties identified as having a high potential for sale.
- ❑ Initiate a search for state and federal remediation funds to assist in the removal of hazardous materials from schools.
- ❑ Work with other local agencies that own or control public property to consider (1) cooperative efforts to market adjacent or nearby properties and (2) transfer/trade ownership of properties to enhance particular assets.
- ❑ Offer the 20 former school properties and all other currently operating school properties as candidates for mobile communication cell sites and billboard locations for revenue enhancement.
- ❑ Order Appraisals and Install Appropriate Signage.
- ❑ Revise District “Properties for Sale” webpage.



SITE SPECIFIC RECOMMENDATIONS

No	Facility Name	Debt	Annual Operating Cost	FRD Recommendation
1	Northview Heights	\$1,956,680	\$39,000	Negotiated Sale
2	McNaugher	\$532,380	\$38,500	Negotiated Sale
3	Mann	\$33,580	\$26,000	Negotiated Sale
4	Sheraden (Schaeffer)	\$229,880	\$21,450	Negotiated Sale
5	Stevens	\$564,860	\$25,900	Negotiated Sale
6	Schaeffer	\$296,710	\$15,450	Negotiated Sale
7	Beltzhoover	\$32,000	\$23,400	Limited Marketing/Donation/Demolition
8	Knoxville	\$616,770	\$71,700	Retain as warehouse
9	Bon Air	\$18,000	\$18,000	Negotiated Sale
10	Murray	\$379,000	\$33,900	Negotiated Sale
11	Burgwin	\$244,600	\$27,200	Negotiated Sale
12	Gladstone	\$43,050	\$80,200	Limited Marketing/Donation/Demolition
13	Madison	\$65,499	\$29,800	Negotiated Sale
14	Fort Pitt	\$1,863,870	\$46,000	Negotiated Sale
15	Rogers	\$93,125	\$39,000	Limited Marketing/Donation/Demolition
16	McCleary	\$19,100	\$18,550	Negotiated Sale
17	Morningside	\$9,180	\$21,150	Negotiated Sale
18	Belmar	\$1,344,350	\$63,650	Limited Marketing/Donation/Demolition
19	Homewood (OLD)	\$152,960	\$43,000	Negotiated Sale
20	Columbus	\$657,893	NA	Negotiated Sale
		\$9,153,487	\$681,850	



PROJECTED TIMELINE

ACTIVITY													2014											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec			
IMPLEMENT POLICIES & PROCEDURE RECOMMENDATIONS																								
CONTRACT EXTENSION - FOURTH RIVER DEVELOPMENT			X																					
SCHENLEY RFP																								
Schenley High School																								
Sale Process - Property Under Contract of Sale																								
Settlement Date			X																					
WAREHOUSE FACILITY																								
Knoxville																								
Preparation and Operational																								
SITES DESIGNATED FOR DEMOLITION																								
Beltzhoover, Gladstone, Belmar, Rogers																								
Demolition Process																								
or																								
Donation Process																								
HIGH INTEREST PROPERTIES																								
McCleary & Morningside																								
Sale Process - Property Under Contract of Sale																								
Settlement Date								X	X															
Columbus																								
Sale Process - Property Under Contract of Sale																								
Settlement Date						X																		
Burgwin																								
Sale Process - Property Under Contract of Sale																								
Settlement Date							X																	
REMAINING PROPERTIES																								
Group 1 - Northview, Bon Air, Madison, Homewood																								
Sale Process - Property Under Contract of Sale																								
Settlement Date										X	X	X	X											
Group 2 - McNaugher, Sheraden, Schaeffer, Murray																								
Sale Process - Property Under Contract of Sale																								
Settlement Date														X	X	XX								
Group 3 - Mann, Stevens, Fort Pitt																								
Sale Process - Property Under Contract of Sale																								
Settlement Date																				X	X	X		

These projected timelines are estimates and will vary based on actual market conditions.



OTHER CONSIDERATIONS

- Consider “Mothball” certain of the closed schools for future educational needs.
- Evaluate relocation of Administration staff from Oakland Administration Building to one of closed schools. Determine net positive cash flow to School District based on a sale of the Administration Building and cost of relocation.
- Evaluate all School District real estate assets.



NEXT STEPS

Initiate action plan:

- Implement general recommendations
- Full service marketing and sales effort
- Demolition
- Administration building evaluation



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