

MARKET FEASIBILITY STUDY

Executive Summary

Fletcher Johnson School Site
4650 Benning Road SE, Washington DC



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EXECUTIVE SUMMARY

This report provides a summary of findings on the opportunities and constraints for rehabilitation or redevelopment of the Fletcher Johnson School site, located at 4650 Benning Road, S.E. The D.C. Government ultimately seeks the successful redevelopment of the Fletcher Johnson School Site in a way that first and foremost supports an education function, is economically and financially feasible, and maximizes benefits to residents of Ward 7. In order to achieve these aims, this assessment identified market opportunities and constraints, and tested an “indicative” pro forma financial return from reuse and redevelopment. However, an important caveat to these findings is that a full market analysis was not conducted that would forecast the specific potential uses for the site.

Market Opportunities

The right of first offer for any reuse proposal of Fletcher Johnson will be provided to a charter school per DC Code § 38-1802.09. The overarching goal of the redevelopment of Fletcher Johnson is that any redevelopment must provide for an education function. The education function can be of any grades or combination of grades from Pre-K - 12 or adult education. Due to the size of the site and its improvements, an assessment of development in addition to the education function that must be present was performed.

The assessment determined that the site is most competitive as a location for residential development as well as for arts, artisanal (maker) and community uses. In particular, residential development of land would provide an opportunity for single-family cottages, senior apartments, and other affordable and market-rate “low-maintenance” housing as part of a lifestyle community. Such housing could appeal to empty nesters, Millennials, and artists from within the community and elsewhere.

As part of the “packaging” of the site, there may also be opportunities for reuse of a portion of the 302,000 square-foot school building for shared “maker space” (housing small-batch craft production, IT and web-based companies, and emerging entrepreneurs). While portions of the building may find a use, there is also the likelihood that a portion of the building could be demolished to expand opportunities for redevelopment of the site.

Opportunities also exist for use as a community hub and arts space with fine artist studios, performance venue (e.g., the auditorium), dance or music studio space, and training spaces. Ultimately, the school building might also be competitive for reuse as a school or other single-purpose institution because of its existing design, capacity, and location.

The competitiveness of the site was also examined for other uses. While the market opportunities for office development are increasing in areas east of the Anacostia River, this site was not determined to be the most competitive location for near-term multi-tenant office development. That being said, there are always opportunities for “drop-in” institutional or single-purpose office users. Similarly, the site is not among the most competitive for retail development, in part because of the topography but also location of the site.

Financial Returns

The financial pro forma was conducted based on the findings of the opportunities assessment, rather than on a full market analysis. As such, the pro forma findings can only

provide a general indication of financial returns, based on a number of assumptions. This assessment found that the redevelopment of portions of the site for residential uses may not be financially viable unless housing could be constructed at prices high enough to generate an attractive return to a developer. Redevelopment of a portion of the school building may be possible for contract or transfer to a non-profit or for-profit operator of maker spaces, artist studios and performance venues at low market rents. Integration of more education space would result in higher returns, so long as the rental rate is acceptable to an education user.