



ESSAY

MAY 2015



VACANT SCHOOL BUILDINGS: AN EXAMINATION OF KANSAS CITY AND SAINT LOUIS

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ABSTRACT

Decades of declining enrollment have left the Kansas City and Saint Louis school districts with a unique problem—too many school buildings. Rather than operate schools well below capacity, the districts have elected to close many schools, leaving the district with vacant school buildings. This paper explores the problem of vacant school buildings and offers suggestions for returning these public buildings back to productive use. Specifically, we recommend that vacant school buildings be leased or

sold to public charter schools. Both districts are making progress in this regard, but they have much room for improvement when it comes to disinvesting from abandoned school buildings.

INTRODUCTION

In almost any crowd, school closure is an unpopular topic. When schools close, students worry about what their new school will be like, parents worry about where their new school will be, and taxpayers worry about the drain on resources and the blight to the community caused by the

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unused building. Abandoned school buildings can become neighborhood eyesores, bring down property values, and generally be a drain on school district resources. For all of these reasons, school closure is an important issue that should not be ignored, especially in urban school districts with declining enrollment. Typically, discussions about school closure focus on cost, where students will be relocated, and the impact on the neighborhood; little attention is given to what becomes of the abandoned property. This becomes problematic as districts accumulate more and more abandoned property.

School districts are not the only government agency that must deal with abandoned property. The Land Reutilization Authority (LRA) in the

city of Saint Louis receives the title to properties that are delinquent on taxes. In 2011, the Show-Me Institute examined LRA's track record of "returning abandoned, publicly held land to private use."¹ The authors noted the LRA regularly declined offers to purchase single properties, preferring to hold out for large-scale developments that rarely, if ever, pan out. Are Missouri's two large urban school districts, Kansas City and Saint Louis, following the LRA's lead? Are they holding on to properties or taking actionable steps to reutilize or sell abandoned school buildings? We explore this question in this paper.

While there may not be one right answer for how we should handle abandoned school buildings, our general position is that school districts

should be proactive in returning properties to productive use. That is, they should set up a process for reviewing proposals, as other urban cities have, with the goal of accepting the offers of more pragmatic investors. With these properties returned to the private sector, less taxpayer money will be wasted on non-functioning facilities and the market will put them to better use.

SCHOOL CLOSURE

During years of steady or increasing enrollment, school closure is a non-issue. In an era of declining enrollment, however, it is something that most urban school districts must deal with. From 2010 to 2011, 2 percent of public schools in the United States were shuttered.² City schools, in particular, have fallen like dominoes. In 2006, Atlanta put 20 on the market, in 2010 Milwaukee had 27 vacant buildings, and in 2014 Philadelphia was sitting on 23. Only 100 of the 172 Detroit public schools that were open in 2010 remain open today. Enrollment in Detroit is expected to fall from where it stood at almost 100,000 in 2008 to 40,000 by 2016.³

Missouri's two largest cities are no exception. Over the course of 43 years, the Saint Louis School District has gone from 115,543 students to just 24,000. As families have relocated to the suburbs of Saint Louis County, the overall population of Saint Louis has fallen and, along with it, its demand for public schools. Forty-three of Saint Louis City's 111 school buildings have been closed as a result, mostly in the last 10 years.

The proliferation of public charter schools has exacerbated the issue of declining enrollment. In 2014, public charter schools enrolled 29 percent and 42 percent of all public school students in Saint Louis and Kansas City, respectively.⁴ This combination of declining population and increased competition from charter schools prompted the reported closure of 30 Kansas City Public Schools (KCPS) buildings in 2009 alone.⁵ Data on the total number of operational schools from the National Center for Education Statistics reveal the actual number of operating schools dropped by 22, from 58 in 2009-10 to 36 in the 2010-11 school year. These schools were likely operating well below capacity, and some of the closures were probably overdue. Still, 22 school closures in one year is quite a lot. The National Center for Education Statistics data reveal this was the largest number of school closures in Kansas City since records were kept beginning in 1986-87.

REVIEW OF SCHOOL CLOSURE PRACTICES

Although school closures seem to have increased in recent years, the issue is not new. As early as 1981, the comptroller general of the United States issued a report on potential uses for abandoned school buildings.⁶ The Office of Management and Budget advocated the use of vacant properties as a measure to save on federal construction programs, or, in other words, to repurpose existing assets. At that time, some governing bodies at the local and state level restricted the use of vacant schools, hindering progress that otherwise

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could have conserved resources for their communities.

A year earlier in 1980, New York City's Educational Priorities Panel released a study called "When a School Is Closed. . . ." The paper documented the effects of school closure on immediate

neighborhoods.⁷ The panel surveyed 53 schools that were closed between 1975 and 1980 and concluded that crime and decay afflicted vacant buildings while repurposed buildings allowed neighborhoods to retain their character. Inner-city properties in particular, the report noted, were at risk of becoming



hotbeds for vandalism and drug-related activity. The study identified a lack of coordination among city and community agencies, lack of protection for schools prior to reuse, and lack of long-term strategies for marketing surplus schools as the primary causes for lack of reuse:

Lack of coordination among agencies inhibits and delays disposing of surplus schools because of conflicting city and agency goals, poor communication among Community Planning Boards and school boards between the City, the Board of Education and those boards, and the absence of centralized information on possible uses, funding sources, and constraints.

Brooklyn's P.S. 80, for example, was notorious for catching fire and housing gang activity. Stolen vestments from a nearby church were found on its roof, and parents in the neighborhood were afraid to allow their children to walk past the boarded up building on their way to school. The study says, "The irony of P.S. 80 is that such devastation was avoidable. The building stood vacant for two years before it was sealed. By the time a neighborhood association expressed interest in using the space, it was too badly damaged to renovate."

A similar event transpired more recently in Saint Louis. The old Hodgen building at the corner of California Avenue and Henrietta Street was listed for \$1 million in 2006, according to the *St. Louis Post-Dispatch*.⁸ When a charter school offered to buy it, the district refused to sell. Instead, the district built a brand new building across the street for \$7.5 million and spent \$774,279 to demolish Hodgen so that they could use the land for a parking lot and playground.⁹

In lieu of selling, some school districts may choose to repurpose a school building. American School & University's 2001 article "Out of the Cobwebs" provides examples of school

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Selling public school buildings to public charter schools is becoming an increasingly popular option for school districts.

renovations and re-openings and highlights the importance of simple measures: “If a district’s efforts to reopen a school succeed, it can reap many benefits. It can save money in cases where building a new school is more expensive; it can relieve crowding in other district schools; and it can revitalize a neighborhood by returning a unifying presence to the community.”¹⁰ Sally Hermsdorfer, assistant superintendent for educational expansion for the Catholic Diocese of Memphis, said, “Just putting a new fence around the football field has moved the drug traffic out of the neighborhood.”¹¹

HOW DISTRICTS MANAGE

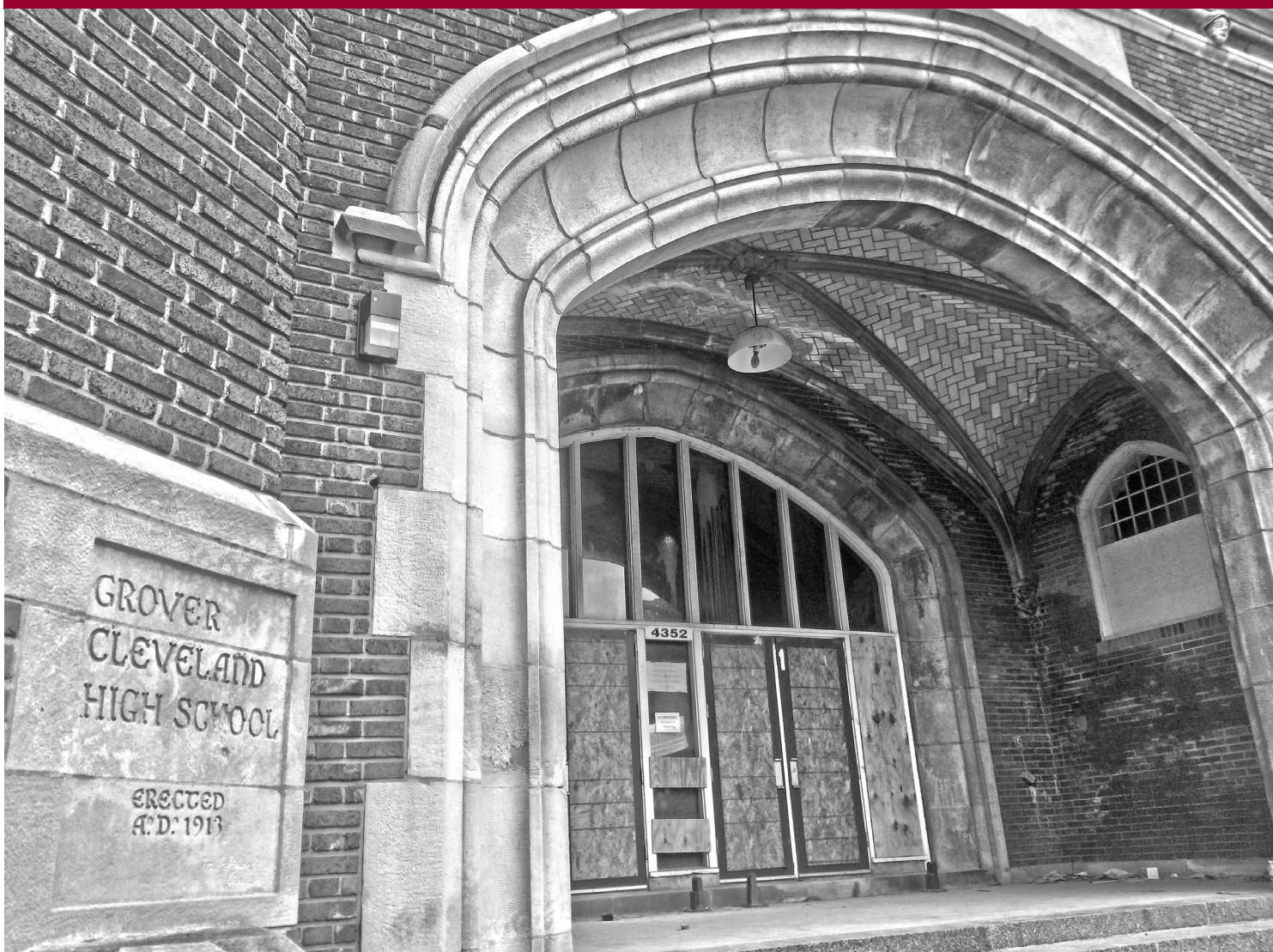
Over the years, urban districts with declining enrollments have accumulated numerous vacant school buildings. Now, a growing number of these districts are setting proactive policies in regards to school facilities. Amidst what can become a heated debate over shrinking school districts and leftover property, urban school districts throughout the country have adopted initiatives to deal with the problem of vacant school buildings. Though they initially lacked a clear plan, Detroit is putting in place structures to divest abandoned school buildings. Since March 2009, the city of Detroit has generated more than \$16 million in public school and land sales.¹² The district has sold 40 schools and leased 45. Yet more than 80 are still for sale. Debt is one impediment to the sale of buildings. Indeed, Detroit taxpayers owe \$1.5 billion for previous capital improvements to school buildings.¹³ Detroit knows it cannot maintain its buildings and its debt obligations. In

order to recoup some of these losses, the city held a planning conference in March 2014 and now has a clear process for interested developers to follow when submitting proposals.

In Atlanta, the district has had some success in repurposing unused district school buildings.¹⁴ Seven empty schools have become charters or academies, one has become the Center for Puppetry Arts, another a community center, and more still have been converted into living spaces. Many of the 20 that went up for sale in 2006 are in poor condition and remain undesirable for renovation, but the district has been proactive in listing its vacant properties.

Since Hurricane Katrina devastated New Orleans in 2005, Louisiana legislation has allowed its Recovery School District to replace failing public schools with district-run charter programs.¹⁵ As of this year, it has become the first charter-run district in the nation. While the jury is still out on this system-wide overhaul, buildings that have been refurbished with hurricane recovery funds are being leased at no cost to independently run charter schools with improved track records.

Selling public school buildings to public charter schools is becoming an increasingly popular option for school districts. Pew Charitable Trusts examined school sales in 12 cities. Their study found that, from 2005 to 2012, 42 percent of the schools sold were turned into charter schools.¹⁶ Other building uses included churches, homeless shelters, and offices. While these cities sold a total



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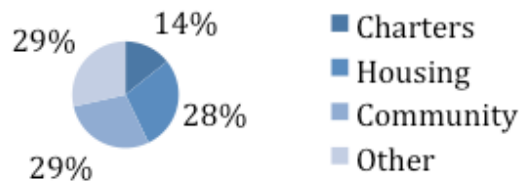
of 267 properties, they still collectively owned 327 as of February 2013.

Some school districts, such as Milwaukee, have no intention of selling to competing schools despite the \$1 million that taxpayers spend each year in maintenance costs. A highly controversial senate bill¹⁷ would have put pressure on the district to sell buildings to charter and private schools, but it was defeated in April.¹⁸ If the district does begin to divest vacant school buildings, they will continue to be a burden to the school district.

In such a case, taxpayers may want to follow the example of the watchdog group AxisPhilly's Schoolhouse Watch in Philadelphia.

AxisPhilly's Schoolhouse Watch is a community forum that works with NBC10, PlanPhilly, and the Public School Notebook to provide information on Philadelphia's vacant school buildings.¹⁹ In 2012, the School District of Philadelphia announced plans to close or relocate 54 schools at the end of the school year. After the community rallied to save them,

Sold/Leased



the city ended up closing 24 and relocating five instead.²⁰ Some of these properties have been sold to private investors and turned into apartment complexes, community centers, and charter schools. Others remain

administrative building or temporary facility for students whose schools are being remodeled, lease it to a private operation, or sell it outright. In most cases, any one of these options must be approved by the school board with community support, the consensus of which can be difficult to reach. Because many of these

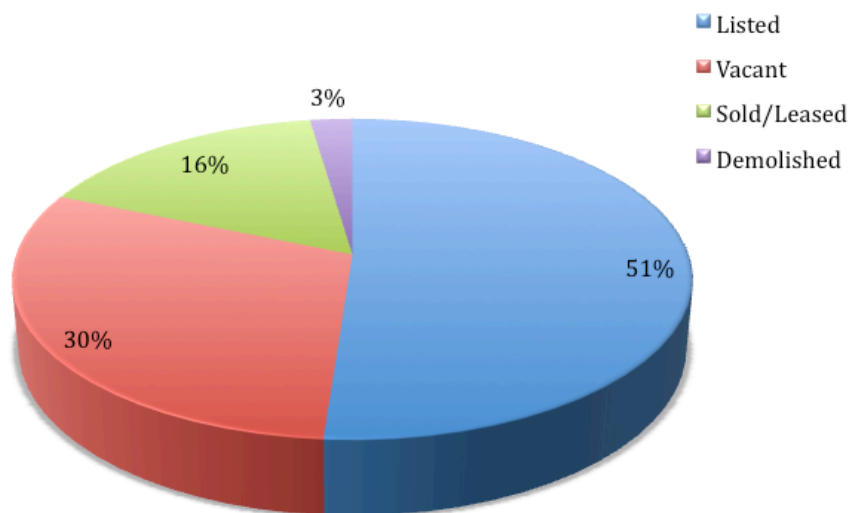
schools are closed due to poor conditions in the first place, maintenance, renovation, and security costs continue to accumulate each day that it remains closed.

In order to shed light on how the Kansas City and Saint Louis Public school districts are handling their vacant school properties, we contacted both districts and compiled data on vacant schools. In addition to documenting how many school buildings are vacant, we examined what actions were being taken to return the property to productive use. The numbers discussed here

are the most recent available as of August 2014.

According to the information provided by the school district, Saint Louis has sold or leased seven buildings since 2012. The district has 35 empty schools, yet only 22 were listed on the Development Resources Partners' website, which serves as the realtor for the district. To date, only one school has been sold to a public charter school. This ranks

Abandoned St. Louis Schools



empty under district ownership. Philadelphia has been held to a high standard of transparency thanks to Schoolhouse Watch.

COMPARISON OF KANSAS CITY AND SAINT LOUIS PUBLIC SCHOOLS

Once a district has determined that a school must be closed, deciding what to do with the building can be equally controversial. The district may retain the building for future use, use it as an

Saint Louis well below the national average reported by Pew. This is due, in part, to a former policy that the district had against selling to charter schools.²¹ Other than listing properties on the realtor's website, there does not seem to be a clear plan of action for how to deal with vacant school buildings in Saint Louis.

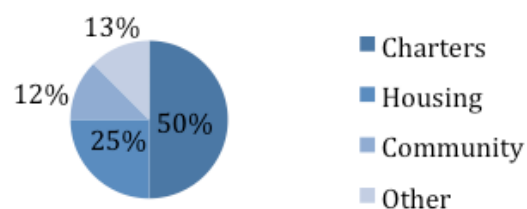
Like Saint Louis, Kansas City has many vacant buildings. However, Kansas City appears to be more diligent about not sitting on the vacant properties. Since 2011, Kansas City has had 36 vacant school buildings, though some were closed as early as 1997.²² According to the district, it has sold eight buildings in the past two years. Four of the eight buildings have been purchased for charter school use. In addition to the buildings that have been sold, nine proposals are under review, and nine more are currently on the market. The board has decided to retain two, one to be demolished and the other to be re-opened as a middle school.

Kansas City stands in contrast to Saint Louis due to its considerable planning. KCPS's Repurposing Initiative is an active campaign to manage abandoned schools. Their website includes school profiles, pictures, and reuse proposal summaries. Millions of dollars worth of property has been listed on Block Real Estate Services' website, which features redevelopment updates on sold properties as well. With the aim of

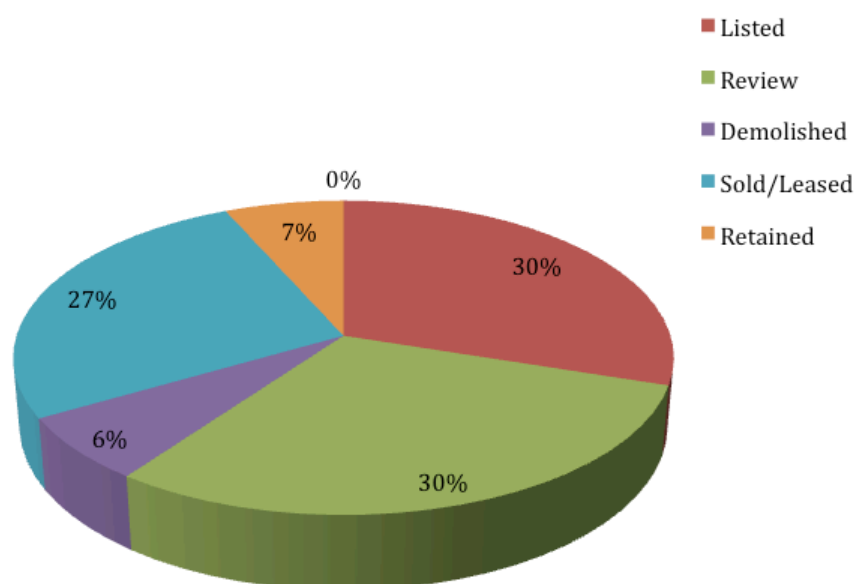
generating community-minded plans for each of the vacant properties, KCPS hosts proposal presentation meetings so taxpayers can ask questions and provide feedback for the district.

Although Saint Louis' progress is less transparent in comparison, cooperation efforts are underway. Saint Louis Public Schools (SLPS) has recently partnered with Knowledge Is Power Programs (KIPP) Saint Louis, a branch of a national charter network that plans to operate up to five schools in Saint Louis. In exchange for KIPP attendance, test scores, and enrollment being counted with that of traditional Saint Louis public schools, the district has given the empty Mitchell School to the nonprofit for free.²³ This type of partnership is a win-win for the

Sold/Leased



Abandoned KCPS Buildings





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district and the charter school. It also means that vacant buildings are more likely to be reutilized.

POLICY CONSIDERATIONS

Declining enrollment in the Kansas City and Saint Louis public school districts have created a problem that

school districts are not accustomed to dealing with—vacant school buildings. It is important that these school districts develop policies that adequately deal with these buildings and return the facilities to productive use. Government entities must be good stewards of taxpayer money, and funds going to empty buildings are funds that are not going to the classroom for the education of students. Therefore, it is heartening to see actions being taken to reduce the number of vacant buildings in each city.

The SLPS-KIPP partnership signals considerable progress since the initial policy of rejecting all charter school offers, but additional steps should be taken in order to disinvest the city of its 22 listed properties and establish plans for the 13 that remain in limbo.

From our examination, KCPS has put in place a system that is effective at addressing the vacant school building problem. Moreover, KCPS should be commended for involving the community in decisions that directly affect the neighborhoods these abandoned schools are a part of.

Still, it may be possible for each district to do more. There is a natural hesitation among school board members at selling buildings to charter schools because they might take more students from the district and exacerbate the problem. A cooperative approach such as the SLPS-KIPP partnership, however, overcomes this problem. By bringing a successful charter school under the auspices of the district, SLPS has expanded its portfolio of schools. It has given city residents another

quality school option to choose from and it has returned a school building to productive use. All the while, the district maintains ownership of the building.

Short of bringing a charter school into the district, there are other options for school districts. They could work out long-term lease agreements with charter schools. Similarly, districts could lease or sell school buildings to real estate investors, nonprofit organizations, or religious and cultural institutions. Each of these options would reduce the likelihood of a vacant school building from becoming an eyesore

and a detriment to the community.

The Educational Priorities Panel cited previously suggests that a sole agency take responsibility for vacant properties, and that community planning and school district boards improve their coordination. The panel determined that planning should occur six months to a year prior to school closure, and that Uniform Land Use Review Procedures (ULURP) be used to outline regulations and requirements for funding. The panel's study "When a School Is Closed . . ." suggested that the school district transfer buildings to other management

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as soon as they are vacant (having removed any remaining supplies and equipment) and the role of real estate managers be expanded to provide extra assistance to potential buyers. In Missouri, this might mean that public schools should shift the deed of a vacant building to a government agency; a natural fit might be the charter school commission.

The Education Priorities Panel also recommends that funding provisions for guard service and proper sealing be made, and that any unsafe buildings be demolished. In addition, the responsible agency should establish criteria for reuse, including one-time revenue evaluation, rental revenue per year, community impact, and client viability. Regulations such as zoning restrictions and rental prohibitions should be re-examined and possibly reformed, and

timetables and reuse strategies should be improved and refined to improve efficiency.

Once these preparations have been made, it is still up to the school district and the community at large to welcome change. Although the best strategy may be to retain ownership in some cases, the majority of schools that have been closed in cities like Saint Louis are not likely to reopen as an operating district school building any time soon. Therefore, it is in the taxpayers' best interest to support solutions that return vacant buildings to productive use as soon as possible, even if that means transferring the building from public to private ownership.

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NOTES

- 1 Spalding and Duda, “Standstill.”
- 2 Gallagher, “DPS to Host Conference on Surplus Property for Sale.”
- 3 Williams, “Detroit Abandoned School Buildings Receive New Uses, New Lives.”
- 4 Thaman, *The History of Missouri’s Charter Schools*.
- 5 Vockrodt, “Kansas City Public Schools Puts Five Buildings Up for Sale.”
- 6 “Use of Vacant Schools Could Provide Savings to Federal Construction Programs.”
- 7 Amlung, “When a School Is Closed...”
- 8 Crouch, “Old Hodgen School to Be Razed Despite Pleas.”
- 9 Allen, “Hodgen School Is Gone.”
- 10 Kennedy, “Out of the Cobwebs.”
- 11 Ibid.
- 12 Lewis, “City to Forgive \$11.6M DPS Debt, Get Vacant Properties.”
- 13 Dawsey, “Detroiters on Hook for Millions Used to Renovate Schools Now Empty or Demolished.”
- 14 “APS Looks to Add to Its Collection of Vacant Schools.”
- 15 Layton, “In New Orleans, Major School District Closes Traditional Public Schools for Good.”
- 16 “Shuttered Public Schools: The Struggle to Bring Old Buildings New Life.”
- 17 Richards, “Debate Flares Up Again Over Milwaukee Public Schools’ Empty Buildings.”
- 18 “Authorizing the City of Milwaukee to Sell Eligible School Facilities to Eligible Purchasers.”
- 19 Spikol, “Schoolhouse Watch: Exactly What We Needed.”
- 20 “Saying Goodbye to 24 Philadelphia Schools.”
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- 22 Hawley, “Why Is KCPS Keeping Vacant Schools?”
- 23 Crouch, “St. Louis Forges Unique Partnership With KIPP.”

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