

Seattle Public Schools

Property Analysis and Disposition

Assignment

Faced with tightening budgets and several major construction projects the Seattle School District needed to raise capital. The sale of surplus real estate was identified as a source of funding. MetPartners was engaged to assess the surplus properties and develop a strategic plan to maximize and unlock their value.



Challenges

The neighborhoods where the surplus real estate was located had taken “ownership” of the properties most of which were schools that had been closed for a number of years. Many had been leased to community groups or to neighborhood related businesses and some had been converted to parks. A disposition strategy had to reflect the public’s interest in the properties and their future development as well as the School District’s need to maximize its sales proceeds.

Results

The Seattle School District engaged MetPartners to assess all of their surplus real estate and advise them on strategies for maximizing and monetizing their value. After a thorough analysis of each property, MetPartners developed a plan that included the retention of some of the properties and the disposition of others.

In several cases where properties had been previously ground leased, it was recommended that the leases be renegotiated to maximize and unlock the property’s value. In other instances where property had been ground leased MetPartners and a local municipal securities advisor developed a strategy to use the ground lease cash flow to service new general obligation bonds. This approach not only maximized the value of the real estate but also provided leverage in negotiations with the ground lease tenants that hoped to buy the properties.

Finally, MetPartners implemented these recommendations including arranging and managing the sale of six of the School District’s properties in an auction format and assisted the School District in the renegotiation of two ground leases.

Based on the assessments and disposition strategies proposed and executed by MetPartners the Seattle School District was able to achieve 50% more in proceeds than had initially been expected. At the same time, neighborhoods were provided with an opportunity to participate in the process and compete for the properties.

Compensation was a fee for services contract.