



### **Project Background**

Designed by the Minneapolis architect C. Howard Parsons and completed in 1922, the Annandale Public school building has been the focus of academic and vocational training, as well as a venue for athletic and social events for many generations of Annandale residents. The building originally served students from first grade through high school. It contained traditional classrooms, a gymnasium and a stage, as well as spaces where pupils could study agriculture, the industrial arts, and home economics.

The facility was expanded five times between 1954 and 1991 to meet the changing needs of the school district. Following construction of new elementary school in 1971 and a new high school in 1991, the complex became the Annandale middle school, and portions of the 1922 building were closed. With the opening of a new elementary school building in the spring of 2013, the building was vacated altogether.

The 1922 building's future has been uncertain for more than fifteen years. It was slated for demolition as early as 1997, and demolition remains a distinct possibility. Local citizens' groups have advocated for preservation of the building for the past five years, and sought unsuccessfully to have funding for rehabilitation included in a 2008 bond referendum. A grass-roots organization, The Citizens Committee to Reuse the '22, recently renewed local efforts to retain the building, soliciting bids for a team to lead a Historic Properties Reuse Study of the building.

In response to that solicitation, preservation consultants and experienced reuse study leaders John Lauber and Bob Claybaugh made a scoping visit to Annandale on 17 January 2013, meeting with school Superintendent Steve Niklaus and Citizens Committee Co-chair Jill Bishop. They also had an opportunity to examine architectural drawings, and other documents, to tour and photograph the building.

## **The Reuse Team**

The team assembled for the Annandale school Reuse Study has extensive experience in the assessment, rehabilitation, and adaptive reuse of historic buildings. Team members have also demonstrated their collective commitment to community-driven, process oriented planning through past participation in more than two dozen historic properties reuse studies, Minnesota Design Team visits, and a host of design charrettes intended to capture the imagination and vision of community members.



**John Lauber, MA**  
*Architectural Historian/ Preservation Planner*

John Lauber of Minneapolis served as Co-principal Investigator for the Annandale school Reuse Study and his firm, John Lauber and Company LLC, served as prime contractor. John exceeds the Secretary of the Interior's Professional Qualification Standards for both History and Architectural History.

During a historic preservation career that has spanned more than two decades, John has participated in more than two dozen historic properties reuse studies, most of them in collaboration with Robert Claybaugh. John's experience includes reuse studies for school buildings in Kasson, Red Wing, Morris, International Falls, and Chaska, as well as a historic structures report for the Lamar school in rural Polk County, Wisconsin and a recent determination of National Register eligibility for the District 26 school in Blue Hill Township, Sherburne County. He has written about the reuse study process and its application to school buildings for the Preservation Alliance of Minnesota; has given presentations on the process to statewide preservation conferences in Minnesota and Kansas; and planned a conference on school preservation during his tenure with the Minnesota State Historic Preservation Office.

John has also completed designation studies, preservation plans, structures reports, and documentation projects for city, state and federal agencies, non-profit organizations, educational institutions, and private developers in more than a dozen states.



**Robert Claybaugh, AIA**  
*Historical Architect*

Robert Claybaugh of Taylors Falls served as Co-principal Investigator for the Annandale school Study. Bob exceeds the Secretary of the Interior's Professional Qualification Standards for Historic Architecture. Bob is a licensed architect in the states of Minnesota, Wisconsin, and Missouri.

Bob's experience includes nearly two-dozen reuse studies including projects completed for school buildings in Red Wing, Morris, International Falls, and Chaska, as well as a historic structures report for the Lamar school in rural Polk County, Wisconsin. His project list also includes rehabilitation and design work for a number of school and college buildings throughout the Midwest.

Bob has provided restoration and design services for Minnesota Historic Society properties at the Mille Lacs Indian Museum, the Lindbergh Boyhood Home, Historic Fort Snelling, the Sibley House Historic Site, Split Rock Lighthouse, the Folsom House, Historic Forestville, the Lower Sioux Agency, Fort Ridgely, and the Northwest Fur Post.



**Jon Commers**  
*Financial Analyst*

Jon Commers served as financial analyst for the Annandale Reuse Study. Jon is a principal of Donjek, a multi-faceted, Public Finance, Project Management, and Public Policy consulting firm based in St. Paul. He participated in interviews, helped the team assess local market conditions, and identified incentives and revenue streams that could contribute to a successful reuse of the 1922 building. He also prepared *pro formas* for the final report.

Jon represents Saint Paul on the Metropolitan Council, where he chairs the Land Use Advisory Committee and is a member of the Transportation and Community Development Committees. He served on the Saint Paul Planning Commission and is also a co-founder of Strong Towns, a virtual nonprofit organization focused on improving the fiscal health of communities through productive land use.

Donjek urban planner Adam Moore provided additional support for the Annandale project.

**LS Engineers**  
*Structural Engineers*

Gene Dwyer, PE, of LS Engineers in Le Sueur served as the structural consultant for the Annandale Reuse Study, evaluating structural conditions in the 1922 building. Gene has worked on a number of previous preservation projects, including buildings at the Lower Sioux Agency, Split Rock Lighthouse; Historic Fort Snelling; and several structures at the Lindberg National Historic Landmark. He recently collaborated with the Co-principal investigators on studies at the Stoppel Farmstead in Rochester, the Mille Lacs Indian Museum, and St. John's Lutheran Church in Red Wing.

**Engineering Design Initiative**  
*Mechanical and Electrical Analysis*

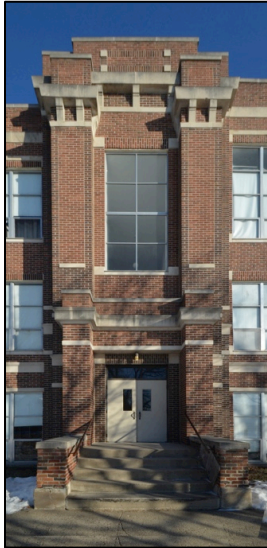
An assessment of the 1922 building's mechanical and electrical systems was completed by Larry Svitak, PE, of Engineering Design Initiatives. EDI is a mechanical and electrical engineering firm headquartered in Minneapolis. The firm has worked with the Co-principal investigators on several previous Reuse Studies and Historic Structures Reports.

**Professional Project Management**  
*Cost Estimates*

Cost estimates for proposed work on the Annandale school building were prepared by Cole Holmber of Professional Project Management, a Twin Cities-based construction management firm that has worked with the project team on a number of previous historic preservation projects.

## **Approach**

The Reuse Study for the Annandale school was completed according to a well-defined process that has been developed, improved and implemented in Minnesota over the past twenty-five years. The goals of the Reuse Team for the 1922 building included:



- Evaluating the historical integrity, current condition, and adaptability of the building.

- Engaging and leading the residents of Annandale through a systematic and inclusive study process, gathering and providing the facts they need to make an informed decision about the future of an important community asset.

- Examining the realities of the local social, cultural, political and economic conditions; and outlining a range of alternatives for the future of the building and site, including demolition, interim use, partial rehabilitation, and full rehabilitation.

- Providing information about the costs, incentives, and revenue potential for various reuse scenarios.

Specific steps in the study process included:

### **Pre Contract Site Visit**

On 7 January 2013, team leaders John Lauber and Bob Claybaugh traveled to Annandale to tour the building and discuss the project with local sponsors and school district officials. Information gathered during this visit was used to assemble the project team and develop the project proposal.

### **Background Research**

Once the contract was awarded, team members worked closely with the local sponsors to collect as much information as possible about the history, operations, and evolution of the 1922 building and the remainder of the middle school complex. Materials examined included original architectural drawings, historic photos, maps and site plans, newspaper clippings, maintenance and repair records, and planning documents.

### **Building Evaluation Visits**

The evaluation of the 1922 building's physical condition had to be completed in two stages due to an unusually long and severe winter. John Lauber and Bob Claybaugh traveled to Annandale for a startup meeting with local sponsors, city and school district officials on 20 March 2013. During that visit Lauber and Claybaugh examined the building's interior spaces, including classrooms, the gymnasium, the attic and boiler rooms, documenting conditions with measurements, photographs and field notes. Information gathered during this visit was used to prepare base drawings for the building. Team leaders returned to Annandale on 25 April to complete an exterior evaluation of the 1922 building, examining and documenting masonry, window and door openings, and

roof surfaces. They also had an opportunity to walk through the structure with the school district engineers who have been responsible for maintenance and operation of building systems.

### **Interviews and Public Meeting**

John Lauber and Bob Claybaugh were in Annandale from 18-20 June 2013 for three days of intensive interviews with school district representatives, city staff, civic and political leaders, local business owners, representatives of non-profit organizations, and other stakeholders with an interest in the future of the 1922 school building. More than 40 individuals were interviewed during the three-day visit. Team members Jon Commers and Adam Moore from Donjek participated in interviews with financial and real estate professionals on the first day.

Annandale area residents were invited to learn about the reuse study process and share their ideas and opinions about the future of the 1922 building at a public meeting held at City Hall on the evening of 18 June. More than 60 individuals attended the session, which was facilitated by Urban Designer Peter Musty with help from team members John Lauber, Bob Claybaugh, Jon Commers and Adam Moore.

### **Team Meetings, Issues Analysis and Draft Report Preparation**

In July and August, the reuse team examined the information gathered during the fieldwork and interview phases of the project in order to identify and analyze issues likely to affect the future of the 1922 building. Team members Lauber, Claybaugh, Commers and Moore met on 24 July and 6 August to discuss and refine potential reuse alternatives, review schematic drawings, and develop ownership and financial strategies models for various alternatives. Bob Claybaugh worked with structural engineer Gene Dwyer to evaluate structural conditions in the building and calculate floor load capacities to ensure that alternatives met load requirements. Lauber and Claybaugh met with mechanical engineer Larry Svitak on 7 August to review existing mechanical and electrical systems, discuss potential energy efficiency and stabilization measures and outline systems requirements for a full rehabilitation of the building. Claybaugh submitted schematic drawings and rough specifications to Cole Holmber of Professional Project Management to serve as a basis for cost estimates, and John Commers used the estimates to prepare a financial plan for the project. The various components were assembled into a draft report that was submitted to the local sponsors for review in early September.

All work on the Annandale school Reuse Study was completed in accordance with guidelines established in *A Primer for Historic Properties Reuse Teams in Minnesota*.

## **ISSUES ANALYSIS**

### **Building Condition and Design Issues**

The 1922 building is eminently reusable. It was originally well constructed of high quality materials, and featured a number of simple details, including Bedford limestone water tables, stringcourses, and corbels; a rusticated base; and ornamental panels and belt courses created by two shades of dark brown brick. Interior features included maple floors, plaster walls and ceilings, simple moldings, doors and cabinets of dark-stained birch. The building contained a large gymnasium and specialized spaces for a wide range of vocational activities, and also featured a large, skylit study hall on the top level. The heating and ventilation system was state of the art for its time. Despite some rearrangement and cosmetic changes on the interior, many of these features remain intact. Missing features could be replicated at reasonable cost.

The building's structure is carried by bearing walls around the perimeter and along the central corridor. Steel beams and trusses provide clear spans over the study hall and gymnasium; and a simple system of wood trusses supports the roof above the classroom areas. This structural system allows a great deal of flexibility for rearranging interior spaces.

The 1922 building was incrementally expanded several times between the time of its original construction until 1991. The building is structurally sound, has been generally well maintained, and is fully sprinklered. The building is physically connected to the rest of the middle school complex at its southwest corner, and shares restrooms, mechanical systems, and an accessible entry with the remainder of the complex. According to District officials, the 1922 building accounts for a significant portion of the heating costs for the overall complex. Continued use of the building would require some hazardous materials mitigation, some repairs to the building envelope, and alterations to improve mechanical systems, energy efficiency, and accessibility.

## **Site and Parking Issues**

The 1922 school building is part of a sprawling complex of interconnected buildings occupying about twelve acres at the center of town, across from the City Hall and Public Library and just a block off Oak Avenue, which links Highway 55 with Pleasant Lake, and serves as the spine of the community's traditional central business district.

The school property has been assembled from several individual parcels as well as vacated street/alley right of ways. Parcel boundaries pass through the gymnasium, and redevelopment could require redrawing current parcel boundaries.

Portions of the site are currently used as a playground area for recess and for outdoor physical education activities. School buses are loaded on the west side of the property on Cherry Street. Otherwise, the District does not appear to have any immediate need for or plans to redevelop the area currently occupied by the 1922 building.

The school district has indicated that its middle school program will be headquartered in the current location for at least five to twenty years, regardless of what happens to the 1922 building. The District could maintain control over the site even if the 1922 building were to be redeveloped by entering into a long-term lease (25 years) with the developer. This would enable the developer to utilize the Federal and State Rehabilitation Tax Credits if the building is determined to be eligible for the National Register of Historic Places.

The eleven-acre school site could be an important component in the eventual success of any redevelopment plan. Its location near the center of town, its relative abundance of green space, and the presence of a number of buildings containing large gymnasiums would seem to make the property a nearly ideal location for a long-anticipated community center if and when the middle school program moves into new facilities on the new school campus. If the property is sold, a covenant could be placed on the deed to ensure that a community center use would be considered as part of any future transfer of the property.

There appears to be enough space on the property to create an accessible entrance at the intersection of the gymnasium wing and the main classroom section of the 1922 building.

School buses use the street on the west side of the building, making this area unavailable for parking. Any redevelopment of the site would require facilities for off-street parking. Some sort of shelter would have to be provided for residential uses. Parking requirements would have to be considered when determining how much land should be included in redevelopment plans for the 1922 building.



## **School District Issues**

Annandale area citizens are justifiably proud of their public school system, consistently listing the schools and lakes as the community's most important assets. Like districts throughout Minnesota, Annandale has expanded its physical plant incrementally (and not always gracefully) over time to reflect changing student populations and state requirements. As a result the existing middle school complex, which at one point served students of all ages, is a sprawling complex assembled from a series of additions appended to the original 1922 building.

The District took the first step toward creation of a second school campus in the early 1970s with construction of the Bendix open school adjacent to Highway 24 on the north side of town. The focus on the new campus was reinforced with construction of a new high school adjacent to the Bendix building in 1990, and again with completion of a new pre-kindergarten-fifth grade school in 2013. The District's middle school program remains on the original campus at present, although most interviewees expect that a new middle school would be erected on the new campus in the future—defined as anywhere from five to twenty years. The difficulty of passing recent bond referenda and the need for an operating levy this fall were cited as reasons for the delay in moving the middle school program to the new campus.

As the district shifted the focus of its activity to the new campus over the past several decades, the 1922 building has been vacated in stages. The upper levels have been closed off and unused for several years, due to concerns over accessibility and life safety. The lower level remained in use until the new elementary building was completed earlier this year.

The abandonment and potential demolition of the 1922 building have been contentious issues within the community for many years, with many local residents asserting that the building could and should remain in use as an educational facility. The condition assessment completed as part of the Reuse Study indicates that the building is basically sound, and could have many years of useful life ahead of it; and that accessibility, life safety, and code issues could be resolved to enable it to remain in use for a variety of purposes, including continued use as a school.

The District, however, has determined that building has no further utility. The 1922 school building is seen as a liability, serving no useful purpose, costly to maintain and heat, and difficult to adapt for continuing educational use. Reflecting that point of view, the District has issued a Request for Proposals to redevelop the 1922 building. If the RFP fails to elicit a viable proposal, the District plans to demolish the building—perhaps as soon as the summer of 2014. The District has not identified any pressing need or vision for the greenspace that would result from demolition.

A number of questions relating to the ultimate disposition of the 1922 building have not been fully addressed. These include the costs of removing or remediating asbestos and other hazardous materials remaining in the 1922 building; the cost to demolish the building and restore the site; the cost to repair the northwest corner of the remaining

middle school complex and replace restrooms; the cost to repair or relocate the boiler room that is now shared by the 1922 building and the later additions. Although these costs have not been fully quantified, they could easily total in excess of half a million dollars. District officials have indicated that the funding to complete this work was factored into the bond referendum for the new elementary school. The District could reduce this expenditure by contributing some or all of these funds toward rehabilitation of the 1922 building. District officials seem willing to consider actions such as a dollar sale, redrawing parcel boundaries to facilitate a sale, or contributing some of the costs of demolition toward a compatible reuse of the building.

## **Historic Preservation Issues**

Designed by the prolific and progressive firm of Howard C. Parsons 1922 the Annandale school building is one of few architect-designed buildings in the community. It has played an important role in the lives of many generations of Annandale residents, serving as an educational and cultural institution, a vocational school, and a social center. The building is not currently listed on the National Register of Historic Places. Although its physical presence has been somewhat diminished over time by a number of additions, the building remains an important local landmark.

Annandale has only one designated National Register property—the Thayer Hotel--a former railroad hotel that was rehabilitated a few years ago as a bed-and-breakfast/restaurant. The business was ultimately unsuccessful and the building has stood vacant for many months.

Only two properties (the Thayer and the former public library building) are included in the State Historic Preservation Office’s statewide inventory of historic properties, although the community was last surveyed in the early 1980s. There are a number of interesting and potentially historic buildings in Annandale but none of these properties are presently listed on the National Register. The city does not have a Heritage Preservation Commission or a local preservation ordinance.

A large contingent of area residents has worked informally for many years to preserve the 1922 building. These advocates recently formed The Citizens Committee to Save the ’22, a non-profit organization whose mission is to “find a new use for the school building and save it from demolition.” The Citizens Committee sponsored and funded the Annandale school Reuse Study.

A successful National Register nomination for the 1922 school building could make the property eligible for a number of preservation-related incentives, including State and Federal Rehabilitation Tax Credits, Minnesota Cultural and Historical Heritage (Legacy) Grants, and State Capital Grants-in-Aid. These incentives could be instrumental in helping to buy down the cost of rehabilitation.

### **Compatibility Issues**

Regardless of what ultimately happens to the 1922 building, it is clear that the middle school program will continue to be housed in the adjacent building complex for the foreseeable future. Interviewees were unanimous in emphasizing that any redevelopment of the 1922 building would have to be fully compatible with middle school program; and that ensuring the safety and security of students would be a primary consideration in evaluating any redevelopment plans.

Interviewees felt that under any reuse scenario, it would be important to avoid any activity that would interfere with school operations (parking and loading of school buses, for example), to minimize noise, and to allow the District to continue controlling and monitoring access to the complex. Reuses that would increase vehicle traffic or attract a large number of “strangers” were generally seen as incompatible, suggesting that reuse of the building for retail or office space would be difficult. A number of individuals expressed concern about redevelopment of the building for low-income housing, which many felt had the potential to attract “questionable” tenants.

From another point of view, new users of the 1922 building could consider the middle school program to be an undesirable neighbor. For example, a number of interviewees suggested that the 1922 building could be rehabilitated as condominiums targeted toward retirees. The high level of activity, noise, bus and parent traffic that naturally emanate from a middle school might make this sort of redevelopment less attractive to buyers of means seeking a quiet, well-appointed place in which to enjoy retirement.

## **Time Issues**

When the 1922 building was closed and vacated in the spring of 2013, it had been in continuous use for more than 90 years. During that time, it was well maintained, and upgraded on a regular basis to meet evolving state requirements and the changing needs of the school district. As result the building is generally in very good condition, despite a few shortcomings.

As part of the divestiture process, the school district has issued a Request for Proposals, seeking a developer with the wherewithal to successfully complete a compatible re-purposing of the 1922 building. The RFP calls for proposals to be submitted by 15 November 2013, with the understanding that they may not be changed for at least one year after the submittal date. In the event no viable proposal is forthcoming, the District has indicated its intention to proceed with demolition of the 1922 building, perhaps as early as the summer of 2014.

Under even the most ideal circumstances, evaluating proposals, selecting a developer, negotiating terms, completing legal work, finalizing a rehabilitation plan, and putting financing into place is likely to take both time and patience—perhaps beyond the 15 November 2014 deadline implied in the RFP. The District has indicated that it would be willing to allow a “reasonable” amount of time for this process to unfold.

The deadline for completion of the present Reuse Study is 15 September 2013, with a public presentation of results slated for 29 October. The Reuse Study document includes a wealth of information about the condition of the building, the state of public opinion, potential reuse scenarios, the costs of rehabilitation, and financial incentives that could be used to buy down the cost of rehabilitation, thereby increasing the likelihood for a successful redevelopment. The school district could realize a significant cost savings if the building were to be rehabilitated by an outside party rather than being demolished with District funds. An extension of the submittal deadline would allow potential developers to utilize the information gathered as part of the Reuse Study Process, and could increase the possibility of finding a developer for the property.

A self-sustaining interim use could help to stabilize and preserve the 1922 building, make the structure available for a community purpose, reduce or eliminate the short term financial burden that the 1922 building presents to the school district, and allow time for the community to thoroughly investigate potential reuse of the building.

## **Community Issues**

Annandale is located on Minnesota Highway 55, approximately sixty miles west of Minneapolis and about twenty-five miles south of St. Cloud. Both Buffalo and Monticello are less than a half hour's drive away, and offer a variety of shopping, medical and recreational facilities that are not available in Annandale.

Annandale residents rely heavily on these nearby communities for employment, entertainment and satisfying basic needs. To a considerable extent, Annandale is a bedroom community, with much of its employment base centered in the western suburbs of the Twin Cities and in St. Cloud. There is little local industry.

Annandale's downtown business district is still headquarters to a hardware store, a pharmacy, a thriving family jewelry business, financial institutions, a couple of gift shops, a few offices, several bars and a good coffee shop. The City Hall, Library and Post Office are still located downtown. Nonetheless, this traditional "Main Street" appears to be struggling. There are many vacant or underutilized storefronts, suggesting that there is little or no market for office or retail space. Basic services such as the grocery store and medical clinics are now located along the Highway 55 corridor, and two of the community's newest businesses, a Dollar General store and a McDonalds restaurant are also located on Highway 55. There is concern that moving the school out of downtown will further diminish the traditional central business district.

Despite their apparent reliance on nearby economic centers, Annandale residents do not consider the community to be a suburb. Most of the individuals interviewed still think of Annandale as a small town, and want it to remain that way. Projected improvements to Highway 55 could work against the community's desire to retain its small town feel. Conversely, high fuel prices or shortages could stimulate more local economic growth.

There is a great disparity in income levels between residents of the city proper and residents of the greater Annandale area, conforming roughly to the boundaries of the school district. There has been some tension between residents of the city and those who live in the surrounding area about who should pay for what.

## **Local Government Issues**

The reuse team's conversations with Annandale officials suggested that there is no overt political opposition to preservation of the 1922 building, as long as a project could be completed without an infusion of local tax dollars. One interviewee expressed the opinion that the city's primary role in the process was "to be an advocate" and "show the benefits" that could accrue to the community from a successful redevelopment.

There are a number of things that the city could do to foster redevelopment of the 1922 building without tapping into local taxes including:

- Abate property taxes for the redeveloped property. The school building and site have never been on the local property tax rolls. Abatement would provide some financial relief to a developer without diminishing net local tax revenues.
- Serve as fiscal agent for a non-profit developer as a means of making the project eligible for certain types of grants, such as the State Capital Grants-in-Aid Program offered through the Minnesota Historical Society.
- The school property includes a vacated alley right-of-way between Cherry and Myrtle Avenue, as well as a vacated extension of the Myrtle Avenue right-of-way. It could be possible for the city to deed this property to a developer to allow creation of a new entrance access road on the north side of the building.
- Allow a zoning variance to reduce the amount of parking required for a redeveloped property.

## **Tourism Issues**

The Annandale area boasts more than two-dozen lakes. Area residents universally describe the lakes as one of the area's greatest assets. Historically the lakes supported a number of small resorts, as well as modest seasonal cabins, many owned by families from the Twin Cities and St. Cloud.

Although the lakes are a significant attraction, the tourism industry in Annandale is almost entirely focused on semi-permanent residents rather than on short-term vacationers. Businesses targeting transient visitors have found it difficult to succeed in Annandale. Many residents commented on the lack of good restaurants in the area, and at least one long-established lakeside restaurant recently went out of business. The Thayer House, a historic bed-and-breakfast/restaurant went out of business after operating for many years despite a significant investment of time and money on the part of the owners.

In recent decades the small resorts have disappeared, and many of the small cabins have been converted into year-around homes for people whose families "summered" in Annandale for generations, and who have now opted retire along the lakes, or to manage metro-area businesses from a distance.

As the supply of lakeshore property has diminished and as small cabins have been converted into substantial and comfortable year-round residences, property values—and property taxes—around area lakes have soared. Meanwhile, property values in town have remained relatively stable. The school district, which encompasses not only the city of Annandale, but also a large part of the surrounding area, has benefitted from a growing tax base, much to the consternation of some lakeshore residents. The city, however, has found itself in the position of having to maintain a steady level of services with a steady or dwindling tax base, reduced local government aid payments from the state, and ever-increasing costs. This suggests that any substantial community project is more likely to succeed if it can serve the larger community and tap into the expanded tax base.



## **Recreation and Community Center Issues**

Annandale offers many opportunities for outdoor recreation, including a network of bike/running/walking trails, a swimming beach, parks and a number of athletic fields. Despite this apparent abundance of recreational facilities, local residents have consistently expressed a desire not only for additional outdoor sports fields and a hockey rink, but also for a community center that would include an indoor pool and ice sheet, workout rooms, and space for classes, child care, gallery and studio space, a theater and meeting rooms.

Local advocates have established an organizational infrastructure for these projects over the past decade. Nonetheless, neither project has materialized. The cost to construct athletic fields, which would include baseball, softball, tennis and multipurpose fields, was projected at \$5 million in the district's 2008 Facilities Task Force Report. It has not moved forward despite an offer of land at the city's sewage treatment pond site. The community center project, which has repeatedly been identified as a top priority in a visioning sessions conducted by the Annandale Area Community Team has languished due to a lack of funding, development and promotion.

Although some of the costs of a building and operating a community center would presumably be covered through donations to a capital campaign and membership or user fees, it seems likely that the project would also be dependent on tax revenue. Many interviewees indicated that the project would be unlikely to succeed if it drew only on the tax base of Annandale proper, but that the likelihood of success would increase significantly if the project could draw on the tax base of entire school district.

The capital cost of building a community center with a pool, ice sheet, workout spaces and other facilities would be considerable in its own right. But a number of individuals indicated that the costs of staffing and operating such a facility would also be considerable and challenging. Local advocates for the project have explored the potential for entering into a partnership agreement with an experienced fitness center operator such as Gold's Gym to provide management services. Other communities have been successful in developing partnership agreements with YM/YWCAs or local school districts. Examples include a field house in Minneapolis that was developed as a partnership between the YWCA and the Minneapolis Public Schools; and a community center in Morris that was a partnership between the city of Morris and the University of Minnesota.

If and when the district does vacate the middle school complex, the site would provide an ideal location for a community center, and portions of the existing building complex, which include three gymnasiums (including the gym in the 1922 building) could potentially be incorporated into a fully developed community center. Redevelopment of some or all of the 1922 building as the nucleus of the community center would enable to community to make significant progress toward its ultimate goal, and would serve as a "placeholder" that would place a claim on the school property pending the construction of a new middle school on the recently developed north campus.

## **Youth Issues**

The community of Annandale has demonstrated a strong commitment to its youth. This is evidenced by the community's large investment in athletic facilities, school buildings, etc. Young people enjoy and appreciate the community, and many of them have returned as young adults to make Annandale their permanent residence.

Nonetheless, the community is home to a number of underserved, and potentially at risk youth--primarily from economically distressed families. In an effort to address the needs of this population a local non-profit organization called Youth First was created in 1997. Initially funded in part with state and county funds, Youth First provides a variety of after school activities, a summer camp, and mentoring programs to children of high school age and below.

Although local residents have expressed a strong verbal commitment to this program, this verbal support has not translated to strong financial or facility support. The program operates with two half-time staff and a shoestring budget of about \$60,000 per year, half of which is provided by a single local family foundation. The school district has allowed the program to use a small amount of space in the cafeteria of the 1954 addition, which requires daily setup and takedown. Participants in the program have no access to a gymnasium or other recreational space. The spacious, light filled classrooms and gymnasium in the 1922 building would provide ideal program and recreational space for Youth First.

Although Youth First seems to be the type of undertaking that could attract substantial foundation, corporate, and individual financial support, the program lacks the human resources required to implement an effective fundraising effort.

## **Senior Issues**

According to a Business Retention and Expansion Survey prepared for the city in 2011, nearly 18% of Annandale's residents are 65 or older, making seniors a significantly higher proportion of the population than surrounding communities.<sup>1</sup> A number of individuals interviewed during the Reuse Study process indicated that at least some of the community's senior population is made up of people who have spent summers in family cabins in the area, and who have elected to retire in Annandale.

Annandale's older residents have no dedicated senior center. A number of programs, including congregate meals and social activities currently take place in a large assembly room in City Hall.

Annandale Health and Community Services is a local non-profit organization that operates a multifaceted, continuum-of-care residential facility for seniors. AHCS offers a variety of living situations, including a 60-bed skilled nursing facility, Centennial Villa assisted living and independent living apartments, a memory care unit, and a wellness center. The assisted living units are in especially high demand, and some of the apartments earmarked for independent living are currently used by residents requiring additional services.

Some interviewees felt that seniors might be reluctant to move from homes that are paid for into a rental situation. Others felt that seniors might welcome the social opportunities and freedom from lawn care, snow removal and home maintenance provided by a rental arrangement.

---

<sup>1</sup> Heidi Peper, "Annandale Business Retention and Expansion," prepared for the City of Annandale by Short Elliot Hendrickson, Inc., April 2011; 1, 2.

## **Housing Issues**

A number of interviewees indicated that the city of Annandale is experiencing a shortage of affordable housing for first-time homebuyers. Others indicated that there is a severe shortage of economical rental apartments for schoolteachers and other young professionals, noting that that it is “almost impossible” to find rental property in town. Earning modest incomes and faced with a dearth of affordable housing, some new teachers must rent rooms in private homes or look for apartments in other communities. Others indicated that the market for affordable housing could include recent widows, retirees moving to town after living on farms, and young couples with no families.

One interviewee posited that a “really nice” apartment with two bedrooms and two bathrooms could rent for \$1000/month in Annandale. Another opined that a senior condominium with 1400 square feet could sell for \$140,000 to \$160,000 with association fees added on.

The 1922 building would lend itself to redevelopment for residential use, including as affordable housing. However, there is some perception that affordable/low-income housing targeted toward a general population could attract a clientele that would be incompatible with the adjacent middle school. Affordable housing targeted toward seniors does not seem to have the same stigma. Redevelopment for affordable housing would allow developers to take advantage of a number of tax credits and subsidies that could significantly buy down the cost of rehabilitation.

Annandale currently has a small number of low-income housing developments, including the Knollwood Apartments, Annandale Square, Goldendale, and Oakdale. Some of these properties have been developed with assistance from the city’s Housing Redevelopment Authority. Some of the community’s most economically challenged families have mobile homes in the Eastview Trailer Court.

Several recent market-rate residential developments, including Southbrook and Triplett Farms have been successful, with one interviewee describing the Patio Homes in Southbrook as “a transition between the lake and the care center.”

Some individuals identified a potential market for upscale condominiums targeted toward retirees or other owners of lake homes who want to remain in Annandale, but no longer wish to incur the cost and work required to maintain buildings, docks, lawns, etc.

## **Organizational Issues**

Annandale has a well-established organizational structure that could play an important role in facilitating a successful reuse of the 1922 school building. In 2002 a group of area advocates established the Annandale Area Community Team (ACT) to identify and catalyze projects that would strengthen and benefit the Annandale Area. Leaders of the nascent group participated in training provided by the Healthy Communities Partnership of the Central Minnesota Initiative Fund.

Since then ACT has facilitated a series of visioning sessions to identify and prioritize community aspirations. Projects receiving the most support include development of a community center, support for the arts, construction of a skateboard park, development of a trail system, downtown revitalization, and operation of a beach house at Pleasant Lake. Although the community center concept has progressed slowly, the organization has been able to achieve a number of the other goals.

As discussed above, a number of area individuals, including many alumni of the Healthy Communities Partnership training, recently formed The Citizens Committee to Save the '22, a non-profit organization dedicated specifically to the successful preservation and reuse of the 1922 school building. This organization sponsored the current reuse study and could spearhead the effort to implement a rehabilitation plan.

## **Philanthropy Issues**

A number of local projects, including not only the reuse of the 1922 Annandale school building, but also such projects as the Community Center effort, the effort to bolster the community's athletic facilities, or the highly-touted mentoring program called Youth First could benefit from grants, partnerships, program funds or other forms of philanthropy.

Although Annandale does not have a strong community foundation or large corporate philanthropists, there is by all accounts a considerable amount of personal wealth in the area. If this perception is accurate, it suggests that the potential for local philanthropic investment may be substantial. This source of revenue seems to have been largely untapped, however, perhaps because individual philanthropy is carried out quietly behind the scenes rather than by a highly visible, easily accessible philanthropic institution. As one interviewee put it “there's a lot of money in town. It's frustrating that it's so much work to get things done.”

Although the capacity for philanthropic investment seems to be present, projects such as the efforts to build a the community center or build new athletic fields have languished—at least in part to a lack of funding. Similarly, the Youth First program receives nearly universal approbation, but operates on a minuscule budget—half of it provided by a single-family foundation.

A contribution/investment of \$500,000 has been offered by anonymous donors as an incentive to redevelopment of the 1922 building. Funding would be available to a non-profit organization or the school district and could be used to pay for legal expenses, interim operations, and under certain circumstances for bricks and mortar work. This offer could serve as an important catalyst for redevelopment.

## **Financial Issues**

The 1922 school has been a *public* building for more than ninety years. It was erected to provide a universally accepted public benefit; and was built, staffed, and maintained with public tax dollars. It has never been expected to contribute to the local tax base. As taxpayers, many generations of Annandale have made significant investments in the property. They should be considered stakeholders and should have an opportunity to help determine its future.

A number of individuals expressed concern over the potential use of tax dollars to pay for rehabilitation of the 1922 building. A private or non-profit redevelopment of the building could be completed with no infusion of local property tax dollars, and could put the school property on the tax rolls for the first time in more than ninety years. Tax abatement would result in no net loss for the city, and could serve as an incentive for redevelopment.

The Annandale school district could make a significant contribution to rehabilitation of the 1922 building, and still spend less than it would to demolish the building, restore the site, and repair damage to the remainder of the middle school complex. Some of the measures available to the District include:

- Sell the building and land to a developer for one dollar.

- Contribute a portion of the costs of hazardous materials remediation, demolition, site restoration, and repair toward rehabilitation of the building. Although these costs have not been quantified, this could significantly reduce the cost of rehabilitation. Professional Project Management has estimated the demolition cost alone at between \$193,000 and \$321,000. Applied Environmental Sciences estimated the costs of hazardous materials remediation at \$160,000. No estimates have been prepared for building repairs, site restoration, or replacement of restrooms.

Depending on the nature of the developer, building ownership, and type of reuse, a number of other incentives may be available to buy down the cost of rehabilitation. These include:

- A group of anonymous local donors has offered an outright grant of up to \$500,000 for rehabilitation of the building if it is used as a school or for a non-profit organization.

- State and Federal Rehabilitation Tax credits (contingent on National Register status).

- Federal tax credit (available for non-National Register buildings placed in service before 1936).

- Federal tax credits for redevelopment as affordable housing.

-Minnesota Cultural and Historical Heritage (Legacy) Grants. Administered by the Minnesota Historical Society, these include planning grants of up to \$7000 and capital (bricks and mortar) up to \$50,000.

-State Capital Grants-in-Aid for certain types of owners (units of government, non-profit preservation organizations; and for projects that serve a public purpose.) Also administered by the Minnesota Historical Society, these grants are available in amounts of up to \$150,000, depending on legislative funding. Grants are available for specific types of projects including general restoration work and upgrading of HVAC and other building systems.

-Corporate and foundation grants to support programs provided by non-profit organizations such as Youth First, or for a public purpose such as a community center.



## **Ownership and Developer Issues**

The school district has been clear in stating that it does not want to remain responsible for maintaining and operating the 1922 building. This does not necessarily mean that the building and land would have to be sold outright in order to allow redevelopment of the property.

For example, the district could facilitate rehabilitation and divest itself of responsibility for maintenance and operations by entering into a long-term lease (25 years) with a developer for both the land and building. This option would enable the developer to utilize Federal and State Rehabilitation Tax Credits, but it would carry some risk for the school district—leaving ultimate responsibility for the structure in the hands of the District in the event of a default on the lease.

The district could also sell the building to a developer, but retain ownership of the land, leasing it to the developer. This would facilitate rehabilitation of the building, but enable the District to retain control of the site.

The district could sell both the land and the building to a non-profit or for-profit developer. Outright sale of entire property would require defining and re-drawing parcel boundaries so that the entire building footprint was included within the parcel boundaries.

School district and school board members interviewed by the reuse team seemed generally amenable to taking steps that would foster a successful reuse of the 1922 building in lieu of demolition. One option that received a favorable response was the sale of the building to a redeveloper for a dollar.

A non-profit owner would have access to wide assortment of grants that might not be available to for-profit developers. A non-profit owner could also could syndicate credits and sell to for-profit partner

## **DISPOSITION ALTERNATIVES**

The 1922 school building has been closed down in stages over the past several years, but it was completely vacated only a few months ago. It has been heated, ventilated, and maintained as needed to remain in use for students, and is consequently in very good condition. Because it is directly part of the middle school campus, snow removal, lawn care and other exterior maintenance continue to be provided by the school district.

### **Continued School Use**

Under this scenario, the 1922 building would be rehabilitated and remain in use as an integral part of the existing middle school complex. The school district would restore the integrity of the exterior envelope (roof replacement, window replacement, masonry repair) and build a new accessible entrance. Interior work would include installation of an elevator, construction of fully accessible restrooms, reconfiguring partition walls to maximize the efficiency and utility of classroom spaces; restoration of the gymnasium; installation of new mechanical, electrical, plumbing, and telecommunications systems; and restoration of interior finishes. The entire building would be rehabilitated as part of this plan. This approach would provide the middle school with an additional gymnasium and an abundance of classroom space. A number of local residents have suggested that this scenario would also provide an opportunity to reconfigure some or all of the building as a commons and cafeteria, facilities which are grossly inadequate in the current middle school complex. Although this would require a significant investment of time and money, the reuse team's assessment of the building suggests that the work could be done.

The 2008 Facilities Task Force Report stated that “our school district should begin a plan of phasing out the use of [the existing middle school complex] and site as part of its long range plan. . . . The school district should not invest significant funds into a major remodeling of the current middle school building. . . . The first step in [the] phase out should be the discontinued use of the 1922 building. Since the funds required to refurbish the building . . . are greater than replacement expenditures, the building should be either demolished or offered to individuals or groups in the community for non-school public or private use.” This seems to be a very clear statement of the District's ultimate goal to consolidate all of its Pre-K-12 programs in new facilities on the developing campus on the north side of Annandale. Although this long-range vision has engendered considerable resistance from some residents who would prefer to see the 1922 building remain in service for its original purpose, the district has taken significant steps toward realizing this vision in the past five years—mounting a successfully bond referendum for a new elementary school on the new campus, demolishing the Bendix elementary building, vacating the 1922 building, and moving Pre-K through 5<sup>th</sup> grade programs to the new site as of the fall, 2013 school year.<sup>2</sup>

### **Demolition**

Under this scenario, the 1922 building would be completely demolished and the site would be restored as a green space. The school district would incur costs for hazardous materials removal, demolition costs, and site restoration. At least one wall of the existing

---

<sup>2</sup> “ISD No. 876 Facilities Task Force Report, 2007-2008,” Unpublished study prepared for the Annandale school district, 2008; 4.

boiler room would be exposed to the weather and would have to be repaired. The restrooms housed in the southeast corner of the 1922 building, which also currently serve the main level of the 1954 addition, would be demolished. The northwest corner of the 1954 addition would be exposed by the demolition, and would have to be repaired. New restrooms would have to be constructed to serve this part of the 1954 building. Professional Project Management estimated the cost of demolition for the building and foundation at \$193,000 to \$321,000 (643,275 cubic feet at \$0.30 to \$0.50 per cubic foot.) Although other costs for this work have not been fully quantified, the total would easily exceed \$500,000. The community would lose potentially useful classroom and gymnasium space. For its part, the District would reduce heating and utilities costs, lower its insurance costs, and gain a modest amount of green space.

### **Do Nothing**

Under this scenario, the 1922 building would remain standing but would no longer be occupied for any purpose. Heat and utilities would be cut off; all interior and exterior building maintenance would cease. The school district would presumably continue to insure the building, and would maintain lawns and sidewalks. The District would realize some cost savings by not having to heat the building, although severing the connection to the remainder of the middle school complex would presumably require some mechanical work and potentially a minimal amount of construction. With no active maintenance, heat or ventilation, the condition of the building would deteriorate over time, and could eventually become an eyesore. The vacant space would present security and liability risks. Although the structure would remain standing, it would serve no useful community function.

### **Interim Use**

Under this scenario, the 1922 building would remain standing for a defined period of time (2-5 years), and portions of it would remain available for activities that provide some public benefit and that are deemed compatible with the middle school program. Although the school building would retain ownership of the building, programming, staffing and operational costs would be assumed by a non-District administrative entity—probably a non-profit organization formed specifically for this purpose. The administrative organization would fund and implement low-cost measures intended to stabilize and reduce operating costs of the building. The District and the administrative organization would negotiate fees to cover utility costs, insurance and other expenses required to keep the building open. The District would retain the right to use the existing restrooms at the junction of the 1922 and 1954 buildings, and would work with the administrative group to provide secure, accessible after hours use through the current main entrance to the complex. Activities would be limited to the gymnasium and lower level classrooms. This approach would require little or no infusion of funds from the school district, would keep the building available for a variety of community functions, would prevent it from deteriorating and becoming an eyesore, and would allow time to fully investigate the redevelopment potential for the site.

### **Phased Rehabilitation**

Under this scenario, the 1922 building would be rehabilitated in stages as needs arise and funds become available. This would allow the building to remain in service, and be improved while avoiding the costs of a comprehensive rehabilitation. This approach would take the interim use scenario one step further, completing substantial improvements to restore the integrity of the exterior envelope (roof replacement, window replacement, masonry repair) and construction of a new accessible entrance. Interior work would be limited to the main floor and gymnasium, focusing on improvements that would equip the building to serve as a freestanding community center. Interior work would include installation of independent, and expandable mechanical systems, installation of an elevator, construction of fully accessible restrooms on the main level, and restoration of interior finishes. Upper levels of the building would remain in stabilization mode, with minimal heat and ventilation, and would be restored in subsequent phases of the project.

This approach would enable the community to take a major step toward creation of the much discussed and much desired community center. However, it would also require a significant financial commitment with no assurance that there would be a revenue stream sufficient to make the project self-sustaining. It seems unlikely that the school district would be willing to retain ownership of the building.

The school district could reduce its expenditures for demolition and site restoration while helping move the project forward by selling the building for a dollar and contributing some portion of the projected costs of demolition toward completion of the project. It is conceivable that the project could be completed in partnership with a partner such as a YM or YWCA or a private health club that would provide an infusion of funds. Programming and some bricks-and-mortar work could be funded through grants. Patrons could be required to pay membership or user fees. Nonetheless, it is likely that the community center would have to be publicly subsidized in order to cover the costs of physical improvements and ongoing operational expenses.

A partial rehabilitation could make it difficult to maximize the use of incentive programs, such as housing or rehabilitation tax credits. Rental income that could accrue to the project through rehabilitation of the upper levels would not be immediately available. Cash flow from redevelopment of the upper levels could be crucial to the ultimate success of the project.

### **Full rehabilitation**

Under this scenario, the entire 1922 building would be rehabilitated as a single project, with the main level serving a public function and the upper two levels providing a revenue stream that would help to support the public use. The project could be undertaken by either a non-profit organization or by a for-profit developer. In either case, the development entity would be able to maximize the use of incentive programs. The potential for school district involvement, membership revenue and partnerships would be the same as described above.

## **USE ALTERNATIVES**

The reuse team solicited information and ideas about potential uses of the 1922 building through individual interviews and a public meeting. Residents offered a range of ideas for reuse that included continued use as a school, redevelopment for restaurant, retail or office space (including one suggestion that the building be converted into a Wal-Mart); reuse as a business incubator; headquarters for a microbrewery; and a variety of housing options including senior housing, market rate apartments, and upscale condominiums. Respondents were unanimous in their view that any reuse would have to be compatible with the existing middle school program, and that the safety and security of students and staff was of paramount importance. Many expressed the view that property tax revenue should not be used to fund rehabilitation of the building. Most individuals seemed to feel that demolition should be considered only if a viable reuse could not be found.

A significant number of people felt that the building could serve in some capacity as part of a community center. Most individuals indicated that a mixed-use redevelopment could meet a number of local needs and would offer the greatest likelihood of success.

Based on the a careful examination of the building, and the information gathered through background research, individual interviews, and the public meeting, the reuse team considered four potential uses for the 1922 building. The basic ideas included:

- Community Center
- Technical Center
- Affordable housing
- Upscale Condominiums

Each of these ideas has been expanded and explored below.

### **Core of a Community Center**

Residents of the Annandale area have repeatedly and vociferously identified their desire for a fully developed community center that would include workout space, an indoor swimming pool, an indoor ice sheet, theater, studio and gallery space, and rooms for classes, childcare activities, and large gatherings. This is a big vision—and a big project for a small community, and progress toward the goal has been slow. Many residents indicated that the middle school *site* would be ideal location, for a community center and felt that the site would eventually become available for redevelopment as the school continued to develop a newer campus on the north side of town.

Although the 1922 building by itself does not contain sufficient space to provide all the services that residents are hoping eventually to incorporate into a community center, it could serve as the core and starting point for a longer-term project. Reuse of some portion of the building for community center functions would help to transform the project from an abstract idea into a tangible reality. It would provide a relatively cost-effective way to demonstrate and test the community center concept and could provide impetus to the fundraising effort that would be required to complete the larger project.

## **Telecommuting/Co-working/Technology Training Center**

By all accounts Annandale is home to a large number of commuters. Some individuals make a daily drive to work in the western Twin City suburbs or St. Cloud. Others may be senior business executives who live on the lakes manage their commercial affairs electronically, traveling to urban headquarters only for occasional meetings. Still others may be independent contractors and entrepreneurs who are attracted to the area by its many lakes and its semi-rural environment, but whose client base is located elsewhere. To address the needs of this constituency, the reuse team considered adapting some or all of the 1922 to serve as a telecommuting or Co-working center that would enable these individuals to go to work without leaving town.

This type of reuse would require state-of-the-art broadband and telecommunications connections, but otherwise relatively little in the way of specialized rehabilitation work. Annandale currently lacks adequate broadband service, but community has already commissioned a broadband feasibility study. There are a number of people in the area with extensive experience in the telecommunications industry, and it is conceivable that the community could tap this body of knowledge to help with the project.

Redevelopment as a technology center could also create an opportunity to return some of the space in the building to educational use. For a number of years the Annandale school district has partnered with a number of surrounding districts to offer vocational training to high school students. Thus far the focus has been on “hard industries,” such as auto mechanics and welding. This program, headquartered in Buffalo, does not currently offer training technology—computers, telecommunications and evolving energy technologies. If the 1922 building were equipped with the appropriate technological infrastructure, it could house programs targeted toward not only high school students but also to non-college-bound high school graduates or to mid-career adults seeking re-training to work in these fields. The program’s proximity to the Co-working/telecommuting site could lead to mentorship or on-the-job training opportunities for participants.

## **Affordable Housing**

A number of interviewees stated their objection to redevelopment of the 1922 building for “low-income” housing, citing their concern that such projects had the potential to attract a constituency that would be incompatible with the middle school program that would continue to operate in the remainder of the complex. Many of the same individuals, however, noted the severe lack of decent rental property in town and identified several groups of people who would benefit from the addition of affordable rental units. A number of people mentioned young unmarried teachers, some of whom must presently rent apartments in other communities or are relegated to renting rooms in private homes in Annandale. Other constituencies mentioned included seniors seeking opportunities for independent living without the burden of caring for their homes; older individuals who had lost spouses; and seniors who were moving into town from rural areas.

The upper levels of the 1922 building could easily be adapted to meet the needs of these individuals, most of whom live on modest or fixed incomes. The building could be

reconfigured into spacious, light-filled, well-situated efficiency, one-and two-bedroom units targeted toward these individuals.

Many incentives and tax credits are available for these types of redevelopment. The school district could justify a dollar sale of the building and contribution of some or all of the projected costs of demolition as an investment in housing for teachers. Rental fees would create a revenue stream that would offset the costs of rehabilitation. This type of reuse could also create a market for a small coffee shop, a hair salon or another compatible business that would serve residents and generate additional rental income.

Although the building is located in the center of town, Annandale's downtown does not seem to be thriving, and such desirable amenities as a grocery store, medical services, restaurants, etc. are not located nearby.

### **Condominiums for High-Income Retirees**

In recent decades the Annandale area has attracted a significant, and growing, number of prosperous retirees or semi-retirees. Some of these individuals have long histories in the area, spending summers in family cabins on the shores of the area's many lakes. Others are relative newcomers looking for lakefront property close to family and friends in the metro area.

A number of interviewees suggested that some or all of the 1922 building could be converted into high-end condominiums for prosperous retirees who enjoy the area's many recreational opportunities and relaxed lifestyle, and want to remain in greater Annandale, but are tired of caring for the buildings, beaches, boats, docks, and lawns that are part and parcel of owning lakefront property.

Candidates for this type of redevelopment would be individuals of means who have retired but do not have health issues that require professional care. The building would be rehabilitated by a private developer who would define the square footage of individual units and install the basic infrastructure. Units would be built out to meet the requirements of individual owners. Amenities such as a party room, guest housing, and sheltered parking would be created as part of the basic rehabilitation. Owners would pay association fees to cover the costs of routine maintenance. The project could be completed as part of a mixed-use redevelopment, with the upper levels reserved for residential use and the lower level serving another purpose, possibly for a public purpose.

Considering the site's constituency, landlocked site, location in the center of town, and proximity to the ongoing middle school program, a well thought-out landscape/environmental plan could be crucial to the success of the project.

This type of redevelopment would be costly, and some incentive programs that could be applied to other types of redevelopment would not be available. Consequently, unit prices would be correspondingly high, with potential owners incurring much of the cost. Although the clientele for this type of redevelopment would be unlikely to present compatibility concerns from the point of view of the school district, the 1922 building's

proximity to an active middle school program could be perceived as undesirable to potential residents. And in the case of a mixed-use redevelopment, potential residents might be reluctant to share the building with a community center or other public uses.

If the entire building were to be redeveloped as condominiums, the gymnasium could be converted into sheltered parking and the roof could be transformed into an elevated private terrace. This would add considerable expense to the project and would effectively preclude the potential to use the existing gymnasium as part of a nascent community center.



## **Recommendations**

The citizens of Annandale have repeatedly and emphatically expressed their desire to create a multifaceted community center, providing facilities for recreation, the arts, continuing education, events and gatherings, and serving all age groups. The seed of an organizational structure is already in place as a subcommittee of ACT, but the project has languished due to uncertainty about location, funding, and ongoing operations.

The community should pursue a two-stage redevelopment of the 1922 building. During the first stage, the ACT committee or a newly formed community center task force would negotiate an interim use agreement with the school district for a period of at least two years. This agreement would be configured to remove administrative and financial responsibility for the building from the school district, would help to demonstrate the viability of the community center concept, and would provide sufficient time to develop a stakeholder base and undertake fundraising activities.

This approach could also serve as placeholder—keeping the 1922 building and the middle school site in reserve for redevelopment as a more extensive community center if and when the school district abandons the remainder of the complex.

With the first stage of the project under way, the community should lay the groundwork for a full redevelopment of the 1922 building as a mixed-use community center and affordable housing facility. This approach would ensure full utilization and preservation of the building while maximizing the use of credits and incentives to buy down the overall cost of the redevelopment.

## **Next Steps**

- Designate or establish a local non-profit organization to manage interim use, and assist with marketing of the building.
- Negotiate with the school district to extend redevelopment and allow interim use.
- Implement strategy for low-cost stabilization (especially energy efficiency measures) and interim use. (this would require an arrangement with the school district to allow restrooms to remain in service; to arrange payment for heat, electricity, water; to allow after hours access).
- Take community leaders on a tour to examine other examples of successful school reuse.
- Nominate the building to the National Register of Historic Places as a means of maximizing potential tax credits.
- Use information gathered as part of the reuse study to actively market the building, or as basis redevelopment by a local group.
- Contact experienced developers of affordable housing to serve as consultants or developers for the housing component of the school redevelopment plan. Examples include:

### **MetroPlains Development LLC**

1600 University Avenue, Suite 212  
St. Paul, MN 55104  
651-646-7848  
<http://www.metroplains.com>

### **Landon Group**

475 Cleveland Avenue, Suite 325  
St. Paul, MN 55104  
651-447-2330  
<http://landon-group.com/home>

### **Aeon**

901 North Third Street, Suite 150  
Minneapolis, MN 55406  
612-341-4208  
[http://www.aeonmn.org/contact\\_us.aspx](http://www.aeonmn.org/contact_us.aspx)

### **Beacon Interfaith Housing Collaborative**

2610 University Avenue West, Suite 100  
St. Paul, MN 55114  
651-789-6260  
<http://www.beaconinterfaith.org>

### **Artspace**

250 Third Avenue North, Suite 500  
Minneapolis, MN 55401  
612-333-9012  
[www.artspace.org](http://www.artspace.org)

-Develop a program plan for the building, describing local needs, programs that will be developed to meet those needs, and constituencies that will be served. This information can be used as the basis for conversations with charitable foundations, government agencies and other potential funding sources.

-Develop a capital campaign case statement for a community center, describing the facilities that will be needed to deliver programs and outlining the benefits the community will realize from the facility.

-Initiate a capital campaign. Seek funding from area individuals, businesses and foundations as well as from regional foundations whose missions include constituencies served and programs provided within the facility.

## **Interim Use-Implementation Strategy**

-Identify non-profit organization to administer use agreement (ACT, Citizens Committee to Save the '22, Youth First)

-Negotiate use agreement with school district

District, non-profit define maximum term for interim use—at least two years, perhaps as much as five years.

District retains ownership, non-profit leases space on lower level for one dollar

District retains right to use lower level restrooms

New user negotiates right to use existing accessible entrance

New user provides insurance

New user accepts responsibility for any required maintenance—with opt out clause in case of pre-defined major work

District determines utility fees; new user agrees to pay utility costs

New user establishes programming for building

New user provides operating and administrative staff for building

-Clear building of all stored materials, junk, etc., and complete thorough cleaning. This could include removal of carpet from upper levels. Could be completed by volunteers

-New user takes low-cost steps to reduce energy consumption while providing minimum level of heat and ventilation to forestall further deterioration of building. Steps would include:

-Installation of insulating foam panels in all upper level window opening (panels could be painted black or covered with asphalt paper to minimize visual impact from exterior.)

-Installation of clear plastic sheeting over all main floor classroom windows and gymnasium windows to reduce air infiltration and heat loss.

-Turn down or turn off radiators in upper levels to reduce heat consumption

-Install temporary “dampers” (SEE EDI)

-Cover leaking roof ventilator(s) to stop water infiltration

-Convert the former shower room/storage area adjacent to the existing lower level restrooms in the 1922 building in to a new accessible restroom

-If desired, it would be possible to create an accessible entrance to the gymnasium by constructing an exterior ramp on the north side of the gym wing (optional)

## **Advantages**

-District would retain control of the land and the building, and would have the option of demolition if no developer is found by the end of the interim use period

-District would save costs of ongoing operation of the 1922 building.

-District would not have to incur any immediate cost for remediation, demolition or repair work resulting from demolition of the building.

-Simple, low-cost stabilization work would minimize further deterioration of the building.

- Continuing use of the building by Youth First, Community Center organization, seniors, arts groups and others would serve community purpose and keep the building in the public eye.
- Interim use would serve as a “place holder” for eventual use of the building as a Community Center.
- Interim use would provide a low-cost way to test the viability of the community center idea. The much talked-about, but long dormant interest in creating a community center – assess amount of public use, evaluate level of support, test fund-raising ability.
- Interim use would allow time for local capacity building to establish administrative organization, raise funds, etc.
- Interim use would allow time to actively market the building to potential developers. Successful marketing campaign would result in preservation of the building and enable the school district to reduce cost of disposition.
- An interim use would allow an evaluation of the building’s National Register eligibility. A successful National Register nomination could open the door to a number of significant incentives to redevelopment, including planning grants, bricks and mortar grants, and federal and state tax credits
- A group of local donors has agreed to provide up to \$500,000 to cover some of the legal and operating expenses that might be involved in maintaining operations of the building.