

Closed School Conversions

As school districts look to accommodate their future educational needs, many find that aging facilities have become obsolete and choose to move in the direction of new facilities. While new facilities are often best for students and the district, communities struggle with what to do with now-vacant school buildings. These facilities create a great deal of opportunity but also tremendous challenges related to redevelopment. Given this, the Wisconsin Economic Development Corporation is compiling an inventory of school conversion projects throughout the state which can then be shared with other communities that are struggling with this same issue, helping those communities identify best practices with regard to reuse, partnerships and funding.

Background

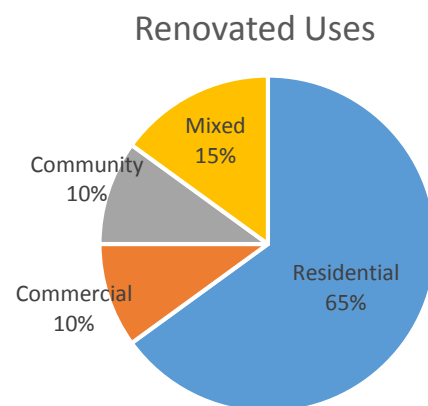
Declining populations, changes to building codes and shifts in educational policy have resulted in school districts abandoning former school buildings. While some districts can repurpose structures for other uses or transfer them to charter or private schools in the area (42 percent of closed schools in 12 larger communities profiled by the Pew Center were used in this fashion), many are forced to dispose of the properties in other ways, either repurposing them as community centers or through sale to private parties. These closures occur in communities small and large. Nationally, a 2010 study found that 6 percent of all districts closed or consolidated schools during the 2008-09 school year - double the rate of the previous year. Another 11 percent anticipated a similar action in 2010-11. In Wisconsin, there are 156 fewer schools overall in 2016 than there were in 2001, with an average of 36 schools closing per year. Of course, some school closures do not result in a vacant property, as facilities are used for expansion in other areas, leased to external charter or private schools, or used for other education-related purposes, such as district office space. Statewide, 37 percent of school districts experienced a decrease in the total number of schools during this period, a more specific precursor to vacancy.

Summary of Findings

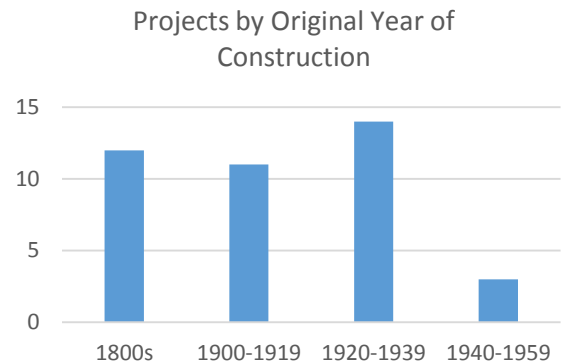
As part of this project, information was collected on 40 Wisconsin school conversion projects. These projects include conversions dating back to 1983, although the majority are recent, with 50 percent of renovations completed after 2010, and an additional 20 percent between 2000 and 2010. Information gained from the study of these projects produced the following insights:

Converted School Characteristics

- The use of converted projects was primarily residential (65%), as shown in the chart at right. Other uses included community space, commercial tenants and mixed-use properties.
 - Among properties that include some residential units, 69 percent were subsidized affordable units (most commonly Low Income Housing Tax Credit (LIHTC) projects), while 14 percent were market rate and 18 percent were targeted for seniors. Of this last group, just over half included some form of assisted living or independent care as part of the facility.
 - Community uses included museums, community recreation centers, commercial kitchens, art centers and meeting space.
 - Commercial uses included office space and/or shared commercial space. Tenants commonly included charter schools and daycares, but also restaurants, automotive and photography businesses.



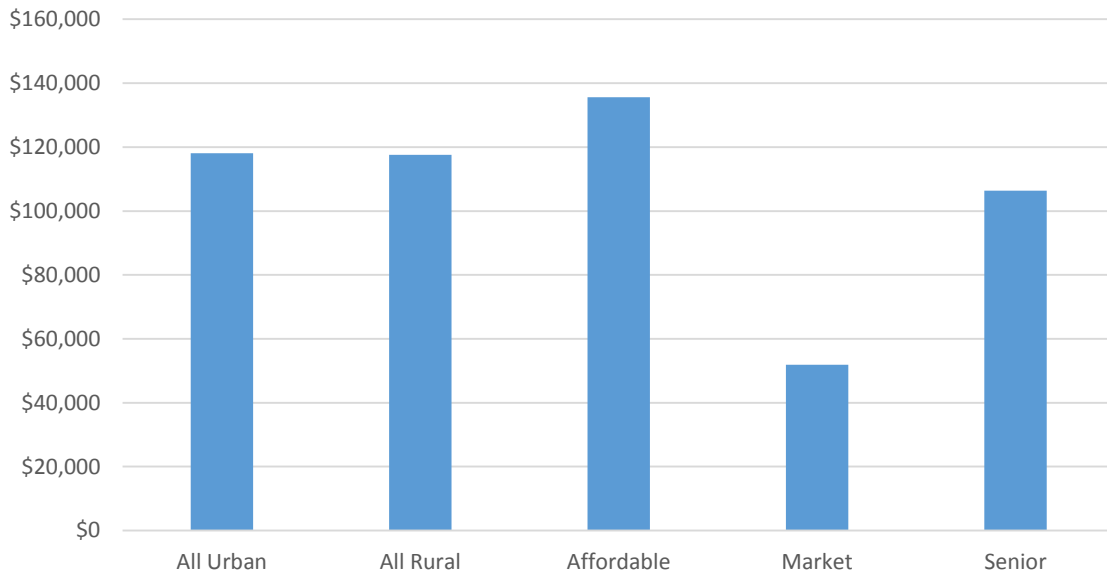
- Mixed-use properties predominantly included uses profiled above, but may also include theaters, churches or private event space in certain portions of the building.
- Properties renovated dated from all eras, as illustrated in the graph at right. The year of construction did not substantially influence the end use, although properties built after 1950 were unlikely to have been converted to residential use.
- The average property was vacant for five years before reopening in its renovated form. However, this average does not tell the full story. One-third of buildings sat vacant for 10 years or longer after ceasing to operate as a school. Another 27 percent of properties were undergoing development planning prior to closure, and effectively began construction immediately following the end of the school year. The remaining properties were mostly acquired by developers between one and three years following school closure, with an 18- to 24-month construction timeline.
- Projects occurred in both urban and rural areas (with urban areas defined as communities of over 50,000, or located within a major metropolitan area). There were slightly more rural projects, with 63 percent of conversions occurring in these areas. Urban projects differ from rural projects in several ways. First, all urban schools were converted into taxpaying uses as opposed to community space. Second, the average urban project was completed in just over two years after school closure, compared to just over seven years for rural projects.



Project Financials

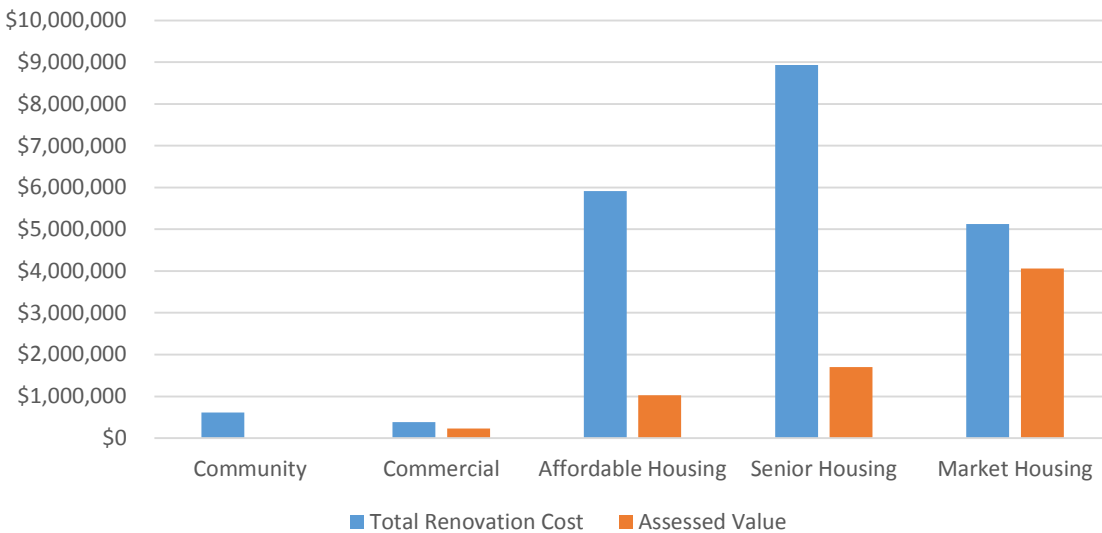
- Somewhat surprisingly, the original purchase price paid for school properties were fairly standard. In rural communities, purchase prices very rarely topped \$150,000 (and in the case of community uses the property was often donated). In urban communities, the purchase price ranged between \$300,000 and \$500,000, with a reduction in price for projects that incorporated some community space or desired amenities into the final project.
- Not surprisingly, the projects were financially complex, with an average of three financing sources utilized as part of the project. The most common sources included LIHTC and Historic Preservation Tax Credits (HTC), although many other types of bonds, loans, grants and fundraising went into making them a reality.
 - Perhaps because of the complex nature of these projects, several developers completed multiple school conversion projects profiled in this study, including Commonwealth (6), Stone House (6), Gorman (4) MetroPlains (2) and Impact 7 (2).
- Total development costs ranged from \$200,000, for conversion to community use to nearly \$15 million for a full-service senior living community. Community use projects required an average of \$612,500 in total renovation costs. Data for commercial uses was much more difficult to obtain, but these projects largely required a more limited investment as well, primarily for remediation, mechanical and access improvements, such as an elevator. Housing and mixed-use projects were the most expensive, averaging \$6 million per project in renovation costs, or an average of \$117,829 per unit. In addition, cost differences were associated with timing of project completion (i.e., properties completed more than a decade ago are less expensive in today's dollars). A graph illustrating cost per unit for the various geographies and unit types is provided on the following page.

Construction Cost per Unit by Unit Type



- Once completed, 70 percent of properties were restored to the tax rolls (community spaces and affordable housing projects owned by Community Action Partnerships remain tax exempt although some do have structured payments in lieu of taxes). Properties used for commercial purposes have an average present-day assessed value of \$177,550, while those converted to taxable residential use have an average assessed value of \$1.8 million, or just shy of \$48,000 per unit. Urban projects have a slightly higher per-unit completed value at \$63,320 per unit, as opposed to \$35,601 per rural residential unit. Urban projects are also slightly larger, on average, with 49 units per property, versus 29 units in rural properties. In some cases, this is due to larger school facilities, while in other instances additional units were constructed on ancillary acreage to add density. This occurred in both urban and rural settings, but occurred more often, and with more units, in urban settings.
- The graph on the following page compares the construction cost and assessed value for all renovated uses. As is evident in the graph, the construction cost is higher than the resulting assessed value for all project types. Also evident in the graph is the wide disparity between construction costs and assessed values for affordable and senior (typically also rent restricted) housing projects. This gap is the reason that tax credits and other public financing sources are typically necessary to complete these projects, as they would otherwise not provide adequate returns to cover construction and mortgage loan payments.

Construction Cost and Assessed Value by Use (Excluding non-taxable affordable units)



Anecdotal Information and Best Practices

In addition to financial and timeline information, the survey asked respondents to provide any anecdotal information on lessons learned, best practices gained or other insights that might be of interest to communities pursuing this type of project in the future. The following insights were received.

- Several developers expressed that the expansion of the state HTCs has created additional opportunities and flexibility for projects - for instance, making more market-rate units feasible or making the 4 percent LIHTCs a viable source of financing.
- Many projects took a creative approach to unique facility features - for instance, using an auditorium as a community theater space, providing community meeting or fitness facilities, or converting gym or cafeteria space into indoor parking. These opportunities allow for unique and marketable amenities for both residents and the community.
- School districts that took the initiative (frequently by working closely with the municipality) to solicit and secure a development partner prior to the actual school closure date had the best outcomes in terms of increased purchase price, reduced maintenance costs and accelerated conversion process.

Wisconsin Case Studies – Housing Conversions (by year of conversion)

Dale School Apartments, Oshkosh

Age, Vacancy Period and Year of Conversion: Built in 1870, open as a school until 1981, converted into apartments in 1982.

Owner/Developer: Chuck Hertel

Renovated Use: 17,380 SF building converted into 15 apartment units, including one, two and three-bedroom units. Unit mix includes nine one-bed, one-bath, two two-bed, one-bath and four three-bed, one bath units.

Project Background: The building was renovated multiple times with multiple different owners over its history. Original renovation costs were minimal, with permitted costs of \$190,000 for new build, \$50,000 for plumbing and \$20,000 for electrical, exclusive of any remediation or demolition costs.

Renovation Cost: \$1 million. 2005 revenue included annual rents of \$103,470 with NOI of \$69,348. Discussion of converting to condo property, but did not happen. The property was purchased in 1993 for \$458,100, then sold again in 2011 for \$640,000.

Project Financing: No city assistance, WHEDA financing.



Mound Street School, Bayview

Age, Vacancy Period and Year of Conversion: Originally built in 1886 and 1894, Mound Street School was modernized in the late 1950s, closed in 1978, sold to a developer in 1981 and converted in 1983.

Owner/Developer: B-L Development (Benjamin Lande)

Renovated Use: Winchester Village - 48 senior apartment units plus additional 10-units of new construction. Rent for a one-bedroom unit is \$707.

Project Background: The project is still a section 8 property, owned by Towne Realty, and was assessed at \$1.6 million in 2014. The project was full within a few months of opening. Two of the first residents went to school in the building.

Renovation Cost: \$300,000 purchase price

Project Financing: \$1.8 million in housing finance authority dollars



Lincoln School Apartments, Madison

Age, Vacancy Period and Year of Conversion: Originally built in 1915 for a cost of \$64,000, the building served as an elementary school until 1963. It then housed the Madison Art Center until 1980. It was vacant for several years until Urban Land Interests acquired it to create the Lincoln School Apartments, which opened in 1985.

Owner/Developer: Urban Land Interests

Renovated Use: 28 apartment units



Project Background: Lincoln School, located on Lake Mendota and surrounded by parkland, was a highly desirable site. The four-floor building was developed into a mix of one and two bedroom units that extend through the floorplate - with views on both sides. Units range from 605 to 1,290 square feet, and rents range from \$1,190 to \$1,395 per month. The property also features underground parking (built into the adjacent hillside), indoor bike storage and high-end amenities. The project was slightly complicated by the need to negotiate a land lease with the city for the property under the apartments.

Renovation Cost: Unknown

Project Financing: Housing bonds.

Lincoln School Apartments, Racine

Age, Vacancy Period and Year of Conversion: The oldest parts of the school date to 1892. The vacant school was purchased from the district in 1988, and the conversion was completed in 1991.

Owner/Developer: Toldt Hennessy Group, Dominion is current owner

Renovated Use: 64-unit senior apartment building; includes new building with 25 units

Project Background: One and two-bedroom floor plans. Project includes gathering space, library, laundry, picnic area and public transportation. Units range from 619 to 812 square feet and rent for \$495-\$650. 12 units were leased before the project began construction.

Renovation Cost: \$3.8 million

Project Financing: Affordable Housing Tax Credits.



School House Apartments, New Glarus

Age, Vacancy Period and Year of Conversion: Originally built in 1896, with additions regularly through 1964. The school closed after a new school was built in 1995. Apartments opened in 1996.

Owner/Developer: Stone House Development

Renovated Use: 24 units ranging from studio through three bedrooms, 500 to 1,100 square feet. Only 16 units are affordable.

Project Background: Stone House's first redevelopment project. The property was purchased by Matthew Pantzlaff in 2015.

Renovation Cost: Unknown

Project Financing: LIHTC



Aster Senior Communities, Marshfield

Age, Vacancy Period and Year of Conversion: Built in 1919 and substantially expanded in 1926, it was listed on the historic register in 1992. It had been used as an elementary, junior and high school at various times. From 1971 until 1990, Mid-State Technical College leased and occupied the building. The property was sold in 1995 and Purdy Retirement Community opened in 1996.

Owner/Developer: Bob Neibauer

Renovated Use: 53 assisted living suites managed by Aster Retirement Community, which has multiple locations around the state.

Project Background: Once Mid-State moved out of the school into its own facility, the district began to seek development partners for the property. It took four years to accomplish this, and ultimately part of the building was demolished before renovations began. The property has always enjoyed a long wait list of potential tenants. The new City Hall redevelopment seeks to provide more units to meet this demand.

Renovation Cost: Unknown

Project Financing: TIF, HTC



Webster School and High School, Omro

Age, Vacancy Period and Year of Conversion: The Webster school was built in 1893, this was one of the earliest manual arts training schools. The original high school was built in 1893 and expanded in 1909. It was used as a high school until 1964 and as a middle school until 1983. Both buildings were renovated into apartments in 1996-97.

Owner/Developer: MetroPlains Development, operated by Goodlife Assisted Living

Renovated Use: Community Based Residential Facility (CBRF) and senior apartments. 20 assisted living units and 14 independent living units. The independent units opened in 1996, and the assisted living units in 1997. Efficiency, one- and two- bedroom units are available.

Project Background: This site, long vacant, was listed as one of the state's most endangered historic buildings in 1993, which was the impetus to seek out a new use for the property. There is frequently a waiting list for units.

Renovation Cost: Unknown

Project Financing: Farmers Home Administration financing and rental assistance.



Central School Apartments, Ripon

Age, Vacancy Period and Year of Conversion: Built in 1913 and expanded in 1918 and 1955, the school closed in 1992 and was sold in approximately 1997, with apartments opening in 1998.

Owner/Developer: Jim Lahr

Renovated Use: 36 apartment units, including 18 one-bedroom and 18 two-bedroom units. 24 units are in the school itself, and another 12 in a two-story addition.



Project Background: Central School, along with four other local elementary schools, closed in 1992. It sat vacant for a few years before being purchased by a local business owner that sought to build a new office on the playground site. The school building was then sold again to Jim Lahr who renovated the property into apartments that opened in 1999.

Renovation Cost: The purchase price for the school building was approximately \$45,000. The renovation cost was approximately \$1.3 million.

Project Financing: Funding sources included HTCs, WHEDA financing.

Jefferson High School, Jefferson

Age, Vacancy Period and Year of Conversion: The building was originally built in 1924 and expanded in 1953. Apartment conversion was completed in 2002.

Owner/Developer: Stone House Development

Renovated Use: 35 one and two bedroom apartments, 30 are affordable.

Project Background: Unknown

Renovation Cost: \$3.35 million

Project Financing: Historic Tax Credits, Affordable Housing Tax Credits



Phillips Middle/High School, Phillips

Age, Vacancy Period and Year of Conversion: Built in 1897 with an addition in 1938. The school was closed in 1972 and converted into senior apartments in 2002.

Owner/Developer: West CAP

Renovated Use: Heritage House apartments - three-story apartment building with 21 one- and two-bedroom units catering to seniors. Square footage for one-bedroom units is 775 SF, and two-bedroom units is 1,100 SF.

Project Background: Located within walking distance of downtown, the project is fully accessible and includes a community room and onsite laundry, with 13 parking spaces.

Renovation Cost: \$2 million

Project Financing: \$380,000 in HTCs. Rent ranges from \$405-\$620 depending on unit/income.



East High Apartments, Wausau

Age, Vacancy Period and Year of Conversion: The building was built in 1936 and includes WPA tiles in the hallway. The school closed in 2004 once a new school was built, and the conversion to apartments was completed in 2005.

Owner/Developer: Stone House Development



Renovated Use: 55-unit apartment project plus adjacent 24 townhome apartments. The 1960 and 1986 additions were demolished to create space for parking lots and the additional townhomes, which opened in 2008.

Project Background: Site includes 24-hour fitness center, business center and theater.

Renovation Cost: \$8 million

Project Financing: LIHTC, HTC (\$2.1 million)

5th Street School Apartments, Milwaukee

Age, Vacancy Period and Year of Conversion: Originally opened in 1888 with 1908 and 1958 additions. Ceased being used as a school in the late 1970s, and then was leased to the City Health Department until 2006 when it became vacant.

Owner/Developer: Gorman

Renovated Use: 45 apartments including one-, two- and three- bedroom options.

Project Background: Three story building including 67,795 square feet.

Renovation Cost: \$8.8 million, \$500,000 purchase price.

Project Financing: LIHTC



West Elementary School, Rhinelander

Age, Vacancy Period and Year of Conversion: Originally built in 1924. The north addition was added in 1939 to double the size of the school, although the sections appear virtually identical. The school closed in 2005 and was purchased by Commonwealth in 2007 and the renovation was completed in 2008.

Owner/Developer: Commonwealth Companies

Renovated Use: 24 senior apartments

Project Background: The project includes an exercise room, media room, computer room, library, salon and community gathering space. The City originally wanted to demolish the school to build new, taxable residential property in its place. The project had to agree to a Payment-in-Lieu-of-Taxes (PILOT) to get municipal blessing. However, the success of this project did help generate support for subsequent public housing authority projects in the future. The project was completely leased up within four months of opening and has been ever since, currently operating with a waiting list.

Renovation Cost: \$150,00 purchase price; \$4.3 million total renovation budget

Project Financing: HTC, LIHTC



Lincoln School Apartments, Park Falls

Age, Vacancy Period and Year of Conversion: Originally built in 1916, renovation completed in 2010 after being vacant for several years.

Owner/Developer: Impact 7

Renovated Use: 24 affordable apartments including one-, two- and three-bedroom options.

Project Background: Four-story historic school building. Renovation includes library, fitness center, game room, playground and gazebo. Gymnasium converted into indoor parking garage. Rents start at \$232/month.

Renovation Cost: \$4.4 million

Project Financing: Affordable housing tax credits, WHEDA Exchange funding, HOME funds, Federal Home Loan Bank Funds, TIF



Mineral Point High School, Mineral Point

Age, Vacancy Period and Year of Conversion: Built in 1903 as a high school, later converted to an elementary and then a middle school. The new high school and middle school opened in 1997. The property was renovated in 2012.

Owner/Developer: Stone House Development

Renovated Use: 11 apartments, including one and two bedroom units with on-site laundry and building management. Rents start at \$660. Larger units are 1,340 SF.

Project Background: The project was Stone House's third project.

Renovation Cost: Unknown

Project Financing: WHEDA small project bond program. Affordable Housing Tax Credits.



Jackie Robinson Middle School, Milwaukee

Age, Vacancy Period and Year of Conversion: Built in 1926, closed in 2005, purchased in 2009, completed in 2012

Owner/Developer: Gorman

Renovated Use: 68 affordable senior housing units

Project Background: Referred to as Sherman Park Commons, developed senior housing on much of the land, as well as single family homes on the north end of the parcel. The community also includes a raised bed garden. The project was fully leased/sold shortly after opening.

Renovation Cost: \$14.5 million

Project Financing: Partnered with Sherman Park Neighborhood Association and Department of City Development. \$3.4M in HTC's



Oconomowoc High School Apartments, Oconomowoc

Age, Vacancy Period and Year of Conversion: The school was originally built in 1922 with multiple additions through 1996. It was closed in 2008, purchased in 2011 and reopened as apartments in 2013.

Owner/Developer: Keystone Development (Oshkosh)

Renovated Use: 55 one-two and three-bedroom apartments. Developer had been seeking a location for affordable housing for a few years. The City suggested the former school site, which had been vacant for three years after a new school was completed. The developers found it was feasible, purchased the property from the City for \$1.05 million and opened the units in 2013. The property also features a fitness center, internet café, free wi-fi and underground parking.

Project Background: Post-renovation assessed value of \$2.7 million

Renovation Cost: \$10.9 million

Project Financing: Federal and state HTCs (\$1.74M), LIHTC (\$6.6M), CDBG (\$161K), Home loan bank (\$300K), WHEDA loan (\$2.058M)



Lincoln School Apartments, Shawano

Age, Vacancy Period and Year of Conversion: School built in 1924, no longer used for a school after the LEED-certified Hillcrest Primary School was constructed in 2010. Apartment construction began in 2013.

Owner/Developer: Commonwealth Development

Renovated Use: 16 apartments and 8 additional newly constructed cottages including two-bed, two-bath units ranging from 1,037 to 1,779 square feet. Three-bed, two-bath units range from 1,562 to 1,779 square feet.

Project Background: The 31,826 square foot school was no longer needed by the school district after a new elementary and middle school were constructed in 2010. The school worked with the City to conduct a feasibility study and solicited community engagement to identify future uses. Housing was a priority, although community gathering space, a coffee shop and a commercial kitchen were all uses that were desired and explored.

Renovation Cost: Purchase price of \$110,000; \$4 million renovation budget.

Project Financing: \$2.86 million in affordable housing tax credits. The city had originally obtained a \$15,000 grant to conduct a feasibility study for the project.



Washington School Apartments, Sheboygan

Age, Vacancy Period and Year of Conversion: Originally built as an elementary school in 1911 and expanded in 1926, the school was used for a variety of school uses and ultimately housed a charter school after a \$1.2 million renovation in 2000. The school closed in 2013 and students were absorbed into other schools. Gorman secured an option on the property in 2014.

Owner/Developer: Gorman



Renovated Use: 42 affordable apartments; average rental rates of \$600/month

Project Background: The school was closed after repairs on the building and the \$12 million replacement cost became too costly, since space existed in other schools. The project was originally to be completed in 2015, but the tax credits were not received in 2015. After a successful application in 2016, the project moved forward. The school district maintained ownership of the adjacent sporting fields; only the building and parking area were sold.

Renovation Cost: Purchase price of \$300,000 (half in form of seller note from district); \$8 million project

Project Financing: LIHTC (\$424k)

Longfellow Lofts, Madison

Age, Vacancy Period and Year of Conversion: Originally built in 1917, with additions in 1924 and 1938. The school closed in 1997 and the property was sold to Meriter Hospital which used portions of the building for office space, ultimately selling it to the Alexander Company in 2012. The renovated property opened in 2014.

Owner/Developer: Alexander Company

Renovated Use: 40 luxury apartments within the historic building and an additional building with 64 new loft units, featuring a courtyard with a firepit and outdoor kitchen, community room and theater.



Project Background: The completed project was assessed at \$1.058 million for the historic structure alone.

Renovation Cost: \$9.25 million

Project Financing: Federal and state HTCs (\$3M), \$250K equity and \$6M loan from McFarland State Bank.

Schofield Elementary School, Schofield

Age, Vacancy Period and Year of Conversion: Built in 1922, closed in 2011, renovation completed in 2015.

Owner/Developer: Commonwealth Development

Renovated Use: 18 affordable apartments ranging in size from 815 to 1,656 square feet, plus three six-unit, 1,623-square-foot townhomes including attached garages built on the property adjacent to the lake.



Project Background: The project, known as the Elementary School Apartments, was developed from the historic three-story school building which included a gym. The project includes a separate tenant garage and common area playground, and will have an on-site rental office.

Renovation Cost: \$6.9 million; rents will range from \$423 to \$695 for two-bedrooms

Project Financing: WHEDA LIHTC and HTC

Berlin Middle School, Berlin

Age, Vacancy Period and Year of Conversion: Built in 1918, closed in 2015, construction began in 2016.

Owner/Developer: Commonwealth Development, ADVOCAP, RedStone Equity

Renovated Use: 40 two- and three-bedroom apartments. The historic gym and auditorium are common space, while the newer 1955 gym was converted to indoor parking stalls.

Project Background: 139,000 square foot former middle school converted into 19 three-bedroom and 21 two-bedroom apartments with community room, exercise room, management office and business center. By quickly finding a buyer for the school, the district was able to maximize the sale price and minimize holding and maintenance costs.

Renovation Cost: \$7.9 million; purchase price \$150,000

Project Financing: Rents for apartments range from \$310 to \$789 (affordable). Funded by LIHTC and HTC – total \$6.6 million in tax credits. Deferred fees of \$4,445, AHP of \$510,000 and BMO mortgage of \$796,392



Lawler School Lofts, Prairie du Chien

Age, Vacancy Period and Year of Conversion: Built as a women's college in 1870 that operated until 1968; it was then purchased and operated as a residential care facility named Wyalusing Academy from 1969 until it was closed in 2013.

Commonwealth purchased the building in 2016.

Owner/Developer: Commonwealth

Renovated Use: 40 two- and three-bedroom apartments in a combination of conversion and new construction. Units will rent between \$600 and \$800/month

Project Background: The 80,000 square foot facility was closed by the state due to child safety violations in 2013.

Renovation Cost: \$8 million; original purchase price by nonprofit \$0

Project Financing: LIHTC (\$480K), HTC



Franklin School Apartments, Rice Lake

Age, Vacancy Period and Year of Conversion: Originally completed in 1936. The school was closed in 2003 due to mold problems, and the property sold and renovation project broke ground in 2015 and all units complete in 2016.

Owner/Developer: Impact 7

Renovated Use: 12 apartments and 8 new townhomes

Project Background: Mix of one-, two- and three-bedroom units with covered parking. There are eight three-bedroom, 2.5-bath homes in the historic school. All units are affordable to 60% AMI.

Renovation Cost: \$4.4 million, purchase price \$112,500

Project Financing: LIHTC, HTC



Roosevelt School, La Crosse

Age, Vacancy Period and Year of Conversion: The school was built in the early 1920s and used until 2014. In 2012, residents voted to combine two northern schools, closing Roosevelt. The school was sold to Gorman, and the new units will open in 2017.



Owner/Developer: Gorman

Renovated Use: 33 one- and two-bedroom apartments. 15 750-square-foot one-bedroom units at 60% AMI rent for \$665/month, and 17 two-bedroom units (also 60% AMI) rent for \$950/month.

Project Background: The 47,060-square-foot school is located in a residential neighborhood on the far north side, approximately three miles from downtown. The project originally applied for the 9% credits, but did not succeed. The ability to use historic tax credits made the 4% credit a viable option.

Renovation Cost: \$7.0 million, purchase price \$300,000.

Project Financing: LIHTC (\$2.0M) Federal HTC (\$1.2M), state HTC (\$1.0M), CDBG (\$450K), TIF (\$300K)

Parish School Apartments, Fond du Lac

Age, Vacancy Period and Year of Conversion: Originally built in 1928 with a 1956 addition, Holy Family school as well as the 1949 St. Mary school were closed in 2015 when a new Catholic school campus was built. The buildings were sold to Commonwealth and new units opened in 2017.



Owner/Developer: Commonwealth/ADVOCAP

Renovated Use: 47 total affordable apartments at each site, including some new construction. The three story building will offer one-, two- and three-bedroom options.

Project Background: The Catholic schools had continued to consolidate over time, and ultimately built a new combined campus at a central location. Both schools were sold together by the central diocese, although the adjacent churches continued to operate and retain some parking on site.

Renovation Cost: Unknown

Project Financing: \$558K in LIHTC, HTC

Wisconsin Case Studies – Community Use (by year of conversion)

Vernon County Normal School, Viroqua, WI

Age, Vacancy Period and Year of Conversion: Built in 1918, used as a school until 1971, remained vacant until 1990 when it was purchased by Vernon County and transferred to the historical society.

Owner/Developer: Vernon County Historical Society

Renovated Use: History Museum

Project Background: The 4,000 square foot school has a first floor museum and meeting space, with additional exhibits and storage on the second floor. The renovation included a full overhaul of HVAC systems, including piping to upper floors which had never had dedicated systems. Accessibility issues also had to be addressed, including the ultimate addition of an elevator.

Renovation Cost: \$300,000 for initial renovations, additional \$425,000 later for an elevator and accessibility improvements.

Project Financing: County Funds



Bangor High School, Bangor

Age, Vacancy Period and Year of Conversion: Built in 1917, the school closed in 1996, renovated completed in 1998

Owner/Developer: School district retained ownership.

Renovated Use: Community Center.

Project Background: Parts of the high school were demolished, while the gym, locker rooms and stage were preserved for community use. Approximately 30,000 square feet remain. The space is in high demand.

Renovation Cost: \$500,000

Project Financing: Taxpayer bonds and five-year no interest loan as part of the stimulus package.



Wyoming Valley School, Spring Green

Age, Vacancy Period and Year of Conversion: Opened in 1958 as a grade 1-8 school. In 1977 it became a 4th grade only school (year in the country), and then sold at auction in 1990 following more consolidation (a local nonprofit did not win the bid). It was owned by a Chicago speculator and then purchased by a local investor in 2010, when it was donated to the local nonprofit. It re-opened as cultural arts center in 2011.

Owner/Developer: Jacobsen Family purchased on behalf of arts center.

Renovated use: Nonprofit cultural and arts center



Project Background: Commonly known as the 'red schoolhouse' the property is the only known Frank Lloyd Wright designed elementary school. The building is 4,700 square feet on 2.5 acres and has two classrooms, a kitchen, restrooms and an assembly room.

Renovation Cost: Purchased at auction for \$305,000 (starting bid was \$75k)

Project Financing: Private funding.

Hillcrest Elementary School, Aurora

Age, Vacancy Period and Year of Conversion: Hillcrest Elementary School closed in 2005 and was leased to Northeast Wisconsin Technical College beginning in 2009. Formal ownership will transfer to NWTC in 2017.

Owner/Developer: Northeast Wisconsin Technical College

Renovated Use: Woodland Kitchen & Business Incubator



Project Background: Over the past 8 years that NWTC has been leasing the 27,000 square foot school, they have steadily increased offerings to meet the needs of the community. Currently, the facility is home to a certified kitchen (7 regular tenants), business incubator and youth offerings program. The space is also made available to other community partners and hosts the weekly senior meals and numerous community meetings.

Renovation Cost: Minimal

Project Financing: \$36,000 annual lease plus 20% of utilities paid by NWTC. Rental rate paid by other organizations for use of space ranges from \$35-\$150 for four hour blocks depending on space. \$35,000 paid in taxes under Fund 80.

Neshkoro Elementary School, Neshkoro

Age, Vacancy Period and Year of Conversion: School opened in 1959, closed in 2010, began operating as community center in 2012, was purchased by private party in 2016.

Owner/Developer: Neshkoro Area Community Center/Private Owner

Renovated Use: Neshkoro Community Center



Project Background: In 2012 a committee was formed to evaluate the potential for a community center to be located in the former school property, approximately 29,000 square feet. Interest was expressed for fitness classes, pickleball and a few other popular activities. That year, 2,000 visitors used the building and 2,000 volunteer hours were donated to update the property. The group began raising funds to purchase the former school to expand offerings, and a 501c3 was eventually formed with the help of a coalition of local Human Service Agencies. Equipment was purchased by a donor to re-open the kitchen as a restaurant. Ultimately the group could not agree on the purchase of the property, and it was put up for bid by the district in 2015 with the hope that the future owner would allow the NACC to continue operating. The building was purchased in the summer of 2016 and negotiations are underway.

Renovation Cost: To be determined

Project Financing: Sweat equity and private donations

Lone Rock School, New Lisbon, Juneau County

Age, Vacancy Period and Year of Conversion: Built in 1871, used as a school until the mid-1960's. After closing, it served as a town hall, and then vacant for a period of time until the nearby Church expressed interest in 2016.

Owner/Developer: Lone Rock Baptist Church, created separate Friends of Lone Rock organization.

Renovated Use: Community Meetings, exhibits.

Project Background: Historic two-room school

Renovation Cost: Total budget not known

Project Financing: Fundraising by church congregation including a walk, shirt sale, etc



Wisconsin Case Studies – Commercial Use (by year of conversion)

Curran Elementary, Rhinelander

Age, Vacancy Period and Year of Conversion: Was built as an elementary school in 1935, also served as a middle and high school. Converted to district offices in 1991 and then sold to a private owner in 2007. The majority tenant is now the Arts and Learning Center in 2010.

Owner/Developer: Currently Arts and Learning Center

Renovated Use: 16,871 SF of Office Space - 12 individual offices with historic charm plus central reception, 75 person conference room. The space features an elevator, pass key access and on-site parking.

Project Background: The property benefits from proximity to downtown and the courthouse

Renovation Cost: Unknown

Project Financing: Was listed for sale for \$239,500 in 2016 at a 10.8% cap rate



Mineral Point 1925 High School, Mineral Point

Age, Vacancy Period and Year of Conversion: Built in 1925 as a high school. The new high school and middle school opened in 1997. The property was sold and renovated into office space.

Owner/Developer: Multiple owners since conversion

Renovated Use: Converted into office space, the first floor of the building is now leased to an alternative high school.

Project Background: The property has been sold twice since being converted into office space, once in 2002 and a second time in 2009. It is assessed at \$384k.

Renovation Cost: Unknown

Project Financing: Unknown



Williams Bay Elementary, Williams Bay

Age, Vacancy Period and Year of Conversion: The school includes three sections, one from the early 1900s, one from the 30s and one from the 50s, with various subsequent updates. The entire site is five acres.

Owner/Developer: Fred Gahl purchased the building in 2016

Renovated Use: Hopes to make the 86,000 square foot building into a community incubator, modeled after some spaces in Illinois.

Project Background: The school district had originally gone to referendum to build a new school and demolish the old one. Instead, Fred purchased it at a discount, saving the district funds. All of the equipment and facilities



came with the building. There is currently a daycare operating in the space, and there has been some interest from an arts charter school and other groups in portions of the space.

Renovation Cost: Purchased building for \$120,000

Project Financing: To be determined

White School, Spring Green

Age, Vacancy Period and Year of Conversion: The building was built in 1877 with two stories and four classrooms. It was used as a school until 1985. It sat vacant for four years before being auctioned by the district and purchased by a church. It was then sold again in 2002 for use as a photography and art studio.

Owner/Developer: Eric Ferguson (current owner)

Renovated Use: Was originally purchased by the Congregational Church to house its educational sessions, then by a photographer for a studio.

Project Background: The school has been used as a study in historic preservation in a number of ways. Most recently, in 2011, a class of UW Madison interior design students designed concepts for adaptive reuse of the historic building. The students were tasked with turning the space into a bistro restaurant concept. The project demonstrated that such a conversion would be too costly, so the owners are currently focused on adding an upstairs living quarters and elevator.

Renovation Cost: Unknown

Project Financing: Private financing



Wisconsin Case Studies – Mixed-Use

Waupun High School, Waupun

Age, Vacancy Period and Year of Conversion: Built as a high school in 1940 and then converted to a middle school in 1966, the building was closed in 2006 and sat vacant for four years before being converted into an assisted living center in 2010.

Owner/Developer: Todd Brunner (original)

Renovated Use: Renovated into 27-unit Whispering Oaks Assisted Living, gym as community center. The property is 40,000 square feet on 1.67 acres. The senior facility includes 1 studio, 19 1-bedroom and 7 2-bedroom units as well as a commercial kitchen, dining room, theater, salon, laundry and office suite.

Project Background: Located one block from downtown. The property was originally renovated in 2010 and then sold at auction in 2012 to a new operator

Renovation Cost: \$2.4 million (first renovation)

Project Financing: City spent approximately \$275k on assistance with original conversion, \$100,000 from Fond du Lac County EDC, \$2 million bank loan. Rents start at \$500.



Marshall Apartments, Janesville

Age, Vacancy Period and Year of Conversion: Built in 1923, operated as a school until 1996 when a new facility was built. After an RFP in 1997 for parties interested in re-use of the building (not demolition), Stone House purchased the building for \$150,000 and renovated it, opening the apartments in 1999

Owner/Developer: Stone House Development

Renovated Use: Adaptive reuse of the historic three-story Janesville High School into 55 apartment units. The theater was renovated as a performing arts space, which proved to be one of the more difficult portions of the project, both because of the space but also to address issues of access, noise and other functionality.

Project Background: Second redevelopment project for the firm, in addition to apartments also houses the performing arts center. Stone House was not the highest bidder, but the school board was receptive to the group's plan for the building and renovations and chose their proposal over others. Appraised at \$176,000 as a vacant property, and then \$1.33m after opening.

Renovation Cost: Purchase price \$150,000. Renovation cost of \$9.45 million, including \$5.3 million for the apartments and \$4.15 million for the theater

Project Financing: Federal and state historic tax credits (\$998k), abatement grants (\$150k), TIF (\$175k), HOME (\$225k), LIHTC (\$1.652 m) and loans. The theater portion of the project was funded by a collaboration of arts organizations, which together formed the Janesville Performing Arts Center. It took five years to raise funds for the theater restoration, which finally was completed in 2004.



Sacred Heart School, St. Francis

Age, Vacancy Period and Year of Conversion: Original school built in 1873 and expanded in 1930s. School building sold in 2010 and renovated completed in 2011.

Owner/Developer: Sacred Heart Partners - Doug Stratton (Michigan)– parish retaining ownership of adjacent church.

Renovated Use: 68 Senior Apartments – 22 in the historic Sacred Heart School and 46 units in an addition on the former parking lot. 41 are one-bedroom apartments ranging from 632 to 651 square feet (in historic portion), plus 23 two-bedroom units ranging from 919 to 1,029 square feet. The remaining four corner units are two-bed and two-bath. The site includes 97 parking stalls for residents, 150 for the church, and four employee spaces, plus a 27 space grade/underground lot. The project includes a fitness center, rec room, theater room, business center, craft room, barber/beauty shop and in-room washers and dryers.



Project Background: The church was looking to right-size and renovate its church and school, sold the historic school to raise funds for renovation efforts. This created 84,081 square feet of apartments, plus a 10,595 square foot common area shared between the church and apartments. The church is hoping to reduce overhead costs while also growing their parish.

Renovation Cost: \$10 million

Project Financing: \$1.75 million in affordable Housing Tax Credits – rents will range from \$613 for a one-bedroom to \$840 for a two-bedroom. Citibank loan.

St. Luke's Place/Marquette Manor, Two Rivers

Age, Vacancy Period and Year of Conversion: The buildings were built between 1895 and 1946, sold in 2001 and the renovation to apartments completed in 2004. The church was sold at the same time as a fitness center, but closed in 2011 and went through foreclosure. It was ultimately sold in 2016 for a wedding chapel and event space separately.

Owner/Developer: MetroPlains Development

Renovated Use: Converted into Marquette Manor, 24,000 square foot building with 32 affordable (senior) apartments, Church into wedding chapel and event space. Units range in size from 481 to 800 square feet.



Project Background: Church and school complex including four buildings – church, school, rectory and convent. At time of conversion the school was vacant (consolidated with another school in 1998), the convent was being used as a historical society museum (since 1994), and only the church and rectory were still used for religious purposes.

Renovation Cost: \$3.4m (\$85k acquisition, \$2.7 m rehabilitation, \$652k soft costs). Per unit cost of \$106k

Project Financing: \$93k in state HTC, \$575 in federal HTC, \$1.7m in LIHTC, \$220 in HOME, \$300k in CDBG, \$165k in TIF

Old High School, Westfield

Age, Vacancy Period and Year of Conversion: Built in 1922, was used as a high school until 1997. It was sold in 2003 to a private individual for \$10,000, while the school retained ownership of the athletic facilities on the grounds. It came back up for sale in 2016.

Owner/Developer: Alumni Association of Westfield Pioneers

Renovated Use: Two upper levels as residential space, lower level for community space, meeting space and event space.

Project Background: High school was put up for sale in early 2016. A group of interested alumni formed a non-profit organization to purchase and renovate the property for productive use. As of year-end 2016, the group has engaged contractors for estimates and has started the grant application and historic designation processes.

Renovation Cost: \$200,000

Project Financing: Estimate of 50% grants, 10% historical, 12% fundraising, 15% equity, 13% private donations.



Nationwide Project Examples

Town of Bethel, NY - Duggan Elementary School

Year: 2010

Use: Town Hall – leases space from district for \$15,000 annually. Meeting space, gymnasium for recreation program. Required \$20,000 in renovations to space paid for by grant funds.

Town of Amenia, NY - Amenia Elementary School

Year: 2009

Use: Town Hall. Sold building to town for \$1, town spent \$275,000 converting the space into office and recreation space, provides space for community theater group, commercial kitchen.

Penobscot, Maine - Community Health Care Group

2010 renovation of former Helen Hunt School for \$6 million into medical clinic.

North Lima, OH – Middle and High School

Creation of both schools (167,000 square feet of space) for business incubator, operated by a private company. Middle school now houses a convenience store, restaurant, daycare, media group and office space. High school houses consignment shop, commercial kitchen and a circus. Both gyms rent for hourly rates.

Moline, IL - Old Moline High School Lofts

Originally constructed in 1915 and serving as a high school until 1959, the former school was converted into office space that was poorly maintained. The school was then re-renovated into 60 loft apartments overlooking the Mississippi River. The development includes one, two and three-bedroom units that target artists. Amenities include an art gallery, exercise facility and movie theater. Gorman was the developer, and the City, Housing Authority and renewal district were also partners in the project.

Bozeman, MT - Emerson School Arts Incubator

The former school is home to 60 arts and culture-related tenants. Received a \$651,000 USDA Business and Industry Loan Guarantee in 2015 to refinance prior debt for the project. The school was built in 1918, and closed in 1991. The next year, a coalition of community arts organizations purchased the building and renovated it as a home for the arts. The facility now has a café and wine bar and also hosts numerous community events and performances. Estimates are that the facility contributes \$8.5 million to the local economy. The facility has both tenants (paying a sliding scale rent) and members (starting at \$35/year for an individual)

Algonac, MI - Algonac Community Center

The former Algonac Elementary school includes 67,900 square feet of space. It was originally slated to be senior housing, but was ultimately donated to an organization that operates community centers in the region. The Dream Center is a non-profit faith-based organization which operates recreational, educational and community services out of similar facilities throughout the region, focusing on homeless, low-income and at-risk youth. The

original developer purchased the building from the school district for \$202,500 after renegotiating an original option at \$402,500 after a tree fell onto the building. Grosso (the original developer) bought a second unused smaller 14-classroom building from the district for \$248,000 and sold it to All-Ways Care Services for \$750,000 as a home to a transitional program for people with cognitive disabilities.

West Coalico, PA – Schoeneck Elementary School Apartments

The 19,000 square foot one-story former elementary is now a 17-unit Homeroom Commons apartment complex with rents from \$800 to \$1,200 per month (\$1/SF). A local developer purchased it for \$201,000 in 2011, 6 months after the school was closed. The project was entirely privately funded. Three units were developed in the former gym.

Duluth, MN – Lincoln Park School

After four years of vacancy, the 1888 Lincoln Park school was converted into 50 affordable housing units in 2015. The first floor also has office space for several area nonprofits. The school was purchased by the Minneapolis-based developer for \$1 immediately after closing. The desire to work with local nonprofits led to the delayed construction timetable. The building had been modified seven times, and was closed due to construction of a new elementary. Additional amenities include a 24-hour fitness center, community room and playground.