

U.S. Department of Education

Federal Real Property Assistance
Program

Public Benefit Conveyances

- A prospective discount off current fair market value in return for contractually promised programs and services
 - A mortgage loan that is amortized over time
- No more restrictive than a mortgage and deed to your house rolled into one document
- Apples and Oranges -- PBC agencies are as similar as the Army, Navy and Air Force
- One educational PBC site alone may exceed the combined fair market value of all other PBC inventories collectively

Common PBC Denominators

- Unique opportunity for communities to set aside property for needed programs and services that cannot compete with the private sector but must be preserved and promoted for the benefit of generations to follow
- Similar programs can only be replicated or established in the future at a cost of many millions of dollars to local taxpayers
- Offers communities the opportunity to reduce BRAC negotiated sales and EDC purchase prices and other acquisitions through prudent planning for future needs

Educational PBC's

- Range from anchor tenants, such as entire college campuses, to complimentary roles, such as public and private schools, libraries, vocational training centers, administration complexes and ancillary facilities
- Not limited to existing school buildings
 - Includes converted facilities and new construction on undeveloped land
- Educational anchor tenants:
 - University of Colorado, Health Sciences Center at Fitzsimons Army Garrison in Aurora, Colorado, which is the largest medical school construction project in the United States
 - Arizona State University at Williams Air Force Base in Mesa, Arizona

Educational PBC Terms

- Must be used for the educational purposes promised in applications for 30 years (i.e. until educational mortgage has been repaid)
- Not every educational application qualifies for 100% discount – classrooms will, others may not
- Educational program must be implemented in 12 months, or 36 months if major construction is proposed
 - Flexibility provided for exceptionally large scale development, such as school campuses
- Cannot be sold, leased, encumbered or otherwise used without advance, written authorization
- Periodic reports

Post Transfer

- Department of Education willing to consider subordinating it's interest to facilitate financing
- Authorization for alternative financing arrangements now one of the most important roles played by Department of Education in post transfer PBC property management and property development
- Leases, leasebacks, mortgages, bonds and alternative arrangements possible
- Restrictions can be abrogated

Transfer Issues

- Department of Education cannot accept institutional controls that interfere with or subordinate future educational use, since delivery of educational programs forms the consideration paid for property under federal law
- Cannot accept reverters nor provide third parties future control over property or programs
- Applicant and titleholder must be the eligible educational provider of services
- Cannot accept contaminated properties unless remediated first

Important Issues to Consider

- BRAC regulations require community outreach by LRA's
- Department of Education regulations (i.e. federal law) require that the Secretary of Education screen for potential educational interests
- Important for LRA's to develop a plan to guide future development – including appropriate locations for possible schools and other PBC's
- Recommendations:
 - Cooperate
 - Share information
 - Coordinate screening simultaneously with LRA community outreach but consistent with plans for future development of BRAC installations

Contact Information

- Stop by and see us at our table
- Write, call, e-mail or contact us:

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