

VLK | ARCHITECTS

KELLER ISD CITIZENS' BOND ADVISORY COMMITTEE

June 13, 2019

AGENDA

FINANCIAL OVERVIEW

LONG RANGE FACILITY PLAN

PROJECT DEVELOPMENT

BOND PLANNING



FINANCIAL OVERVIEW

STATE COMPARISON

How do Texas taxpayers rank for local and state tax burden compared to other states?

(According to Inc. Magazine. February 2019)

High Taxing States

1. New York
2. Connecticut
3. New Jersey
4. California
5. Illinois
6. Wisconsin
7. Maryland
8. Minnesota
9. Rhode Island
10. Massachusetts

Low Taxing States

41. Mississippi
42. Oklahoma
43. Nevada
44. New Hampshire
45. Texas
46. Louisiana
47. Tennessee
48. Wyoming
49. South Dakota
50. Alaska



FINANCIAL OVERVIEW

KELLER ISD PROPERTY VALUES

Average Home Value in the City of Keller = \$424,000

Average Home Value in Keller ISD = \$321,000

Net Taxable Value

City of Keller = \$6.5 Billion

Keller ISD = \$20.8 Billion

(Source: TAD - Before arbitration resolution)



FINANCIAL OVERVIEW

HOW TEXAS PROPERTY TAX WORKS

Most cities, counties, and school districts have two tax rates:

Maintenance and Operations or **M+O** and,

Interest and Sinking (or Principal) **I+S**



CITIZENS' BOND ADVISORY COMMITTEE

KELLER ISD

Maintenance and Operations (M+O)

Pays for salaries, utilities and all else to support general operations.

Interest and Sinking (I+S)

Raises the funds to pay principal and interest of voter approved bonds.



FINANCIAL OVERVIEW

KELLER ISD HISTORICAL TAX RATES

School Year	M+O	I+S	Combined	
2003-04	1.42	0.26	1.68	
2004-05	1.43	0.27	1.70	
2005-06	1.43	0.29	1.72	
2006-07	1.31	0.30	1.61	
2007-08	1.04	0.32	1.36	
2008-09	1.04	0.38	1.42	
2009-10	1.04	0.45	1.49	
2010-11	1.04	0.49	1.53	
2011-12	1.04	0.50	1.54	
2012-13	1.04	0.50	1.54	
2013-14	1.04	0.50	1.54	
2014-15	1.04	0.50	1.54	
2015-16	1.04	0.50	1.54	
2016-17	1.04	0.48	1.52	
2017-18	1.04	0.48	1.52	
2018-19	1.17	0.34	1.51	TRE
2019-20	1.0684	0.34	1.4084	HB3



FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

KELLER ISD PROPERTY VALUES

Property Taxes are calculated per \$100 of Value
(Using M+O only, not I+S)

House Value = \$300,000
Divided by 100 = \$3,000
x \$1.17 (M+O)
= \$3,510

House Value = \$300,000
Divided by 100 = \$3,000
x \$1.07 (M+O)
= \$3,210
SAVE \$300

House Value = \$320,000
Divided by 100 = \$3,200
x \$1.07 (M+O)
= \$3,424
SAVE \$86



FINANCIAL OVERVIEW

HOW TEXAS SCHOOL DEBT WORKS

Kind of like a mortgage on your house

Keller ISD has done largely 20 year debt with interest and principal payments twice annually

There is typically a “Call” feature at year 10 that allows us to refinance to lower rates

Annual debt service is about \$60 Million yearly

Total outstanding principal is about \$660,000,000 today. Has been as high as \$800 M



CITIZENS' BOND ADVISORY COMMITTEE

KELLER ISD

Who Invests in Texas School Bonds?

Retirement Funds

Mutual Funds

Money Market Funds

Insurance Companies

Banks

Underwriters



Keller Independent School District

Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

Table VIII

Fiscal Year	Assessed Value		Less: Tax-Exempt Property	Total Taxable Assessed ^a Value	Total Direct Tax Rate ^b	Estimated Actual Taxable ^c Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Real Property	Personal Property					
2009	10,833,000,112	510,021,252	1,130,477,403	10,212,543,961	1.4169	11,343,021,364	90.03%
2010	11,251,605,888	571,747,425	1,304,367,719	10,518,985,594	1.4863	11,823,353,313	88.97%
2011	11,695,681,740	703,851,758	1,561,524,498	10,838,009,000	1.5306	12,399,533,498	87.41%
2012	12,079,424,023	665,686,946	1,544,472,846	11,200,638,123	1.5400	12,745,110,969	87.88%
2013	12,222,225,208	732,942,046	1,651,312,494	11,303,854,760	1.5400	12,955,167,254	87.25%
2014	12,815,685,228	684,572,978	1,574,871,452	11,925,386,754	1.5400	13,500,258,206	88.33%
2015	13,816,512,116	693,171,025	1,559,235,241	12,950,447,900	1.5400	14,509,683,141	89.25%
2016	14,147,290,643	715,396,851	1,959,793,037	12,902,894,457	1.5400	14,862,687,494	86.81%
2017	16,295,187,107	785,317,276	2,116,569,235	14,963,935,148	1.5200	17,080,504,383	87.61%
2018	17,714,662,204	954,120,636	2,170,239,105	16,498,543,735	1.5200	18,668,872,840	88.37%

Source: Tarrant County Tax Appraisal District

Notes: ^aMarket value less exemptions

^bPer \$100 of assessed valuation

^cMarket value



Keller Independent School District
Principal Property Taxpayers
Current Year and Nine Years Ago

Table X

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Taxable Value	Taxable Assessed Value	Rank	Percentage of Taxable Value
Kroger Co	\$ 152,418,347	1	0.92%	\$ 72,589,200	2	0.71%
FMR Texas LP	132,388,948	2	0.80%	157,274,226	1	1.54%
Wal-Mart Stores Texas LP	103,508,520	3	0.63%	41,656,039	4	0.41%
ATC Investors LP <i>ALLIANCE TOWN CTB</i>	81,875,254	4	0.50%	54,861,592	3	0.54%
Hillwood Monterra LP	76,358,387	5	0.46%			
HCA Health Services of TX, Inc.	70,420,283	6	0.43%			-
Mansions at Timberland LP	59,000,000	7	0.36%			-
FAA DFW Associates LLC	55,200,000	8	0.33%			-
North Beach TX Partners LCC	49,800,000	9	0.30%			
BR Carroll Keller Crossing LLC	47,300,000	10	0.29%			-
Oncor Electric Delivery Co	-			40,596,468	5	0.40%
Inland Western Watauga LP	-			27,608,400	6	0.27%
Watercolor Partners LP	-			27,585,730	7	0.27%
5001 Enclave LLC ETAL	-			23,983,000	10	0.23%
Amstar/Southern Art House LP	-			25,000,000	9	0.24%
Tri County Electric Coop, Inc.	-			27,291,723	8	0.27%
Subtotal	828,269,739		5.02%	498,446,378		4.88%
All other taxpayers	15,670,273,996		94.98%	9,714,097,583		95.12%
	\$ 16,498,543,735		100%	\$ 10,212,543,961		100%

*(5.4%
L.Y.)*

VERY LOW

*RATINGS
AGENCIES
LIKE THIS*

Source: Tarrant Appraisal District



Keller Independent School District
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Table XI

Fiscal Year	Tax Year	Original Levy	Adjustments	Adjusted Levy	Collected in First Period		Collected in Subsequent Period	Total Collections	
					Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2009	2008	142,946,287	4,510,266	147,456,552	145,996,374	102.13%	1,294,910	147,291,284	99.89%
2010	2009	154,071,805	8,389,934	162,461,740	160,286,383	104.03%	1,808,527	162,094,911	99.77%
2011	2010	163,551,452	2,206,607	165,758,060	163,908,760	100.22%	1,457,685	165,366,445	99.76%
2012	2011	170,135,313	247,601	170,382,913	169,139,007	99.41%	834,410	169,973,416	99.76%
2013	2012	171,779,167	1,699,878	173,479,044	172,379,024	100.35%	535,862	172,914,886	99.67%
2014	2013	181,143,398	875,301	182,018,699	181,059,454	99.95%	57,318	181,116,772	99.50%
2015	2014	196,325,293	135,955	196,461,248	195,308,567	99.48%	41,507	195,350,075	99.55%
2016	2015	195,978,901	7,605,408	203,584,309	202,734,808	103.45%	444,331	203,179,139	99.85%
2017	2016	222,329,840	6,320,423	228,601,703	227,431,763	102.29%	130,693	227,562,456	99.55%
2018	2017	244,073,351	8,964,698	253,038,049	250,904,866	102.80%	1,273,780	252,178,646	99.66%

Source: Tarrant County Tax Office

Notes: This schedule includes operating and debt service tax revenues.



FINANCIAL OVERVIEW

HOW TEXAS SCHOOL DEBT WORKS

Rank	Investor	Par Held	
1	State Farm Investment Management Corporation	\$ 98,475,000	14.9%
2	BlackRock Advisors, LLC	12,725,000	1.9%
3	PGIM, Inc.	10,105,000	1.5%
4	Sentry Investment Management, LLC	9,465,000	1.4%
5	Liberty Mutual Group Asset Management, Inc.	9,105,000	1.4%
6	The Vanguard Group, Inc.	8,165,000	1.2%
7	Cincinnati Financial Corp. (Asset Management)	3,105,000	0.5%
8	American National Registered Investment Advisor, Inc.	2,000,000	0.3%
9	GAMCO Asset Management, Inc.	2,000,000	0.3%
10	Brethren Mutual Insurance Company	<u>1,900,000</u>	0.3%
	Total	\$ 157,045,000	23.8%

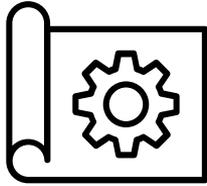


RECENT METROPLEX BOND ELECTIONS OVER \$200 MILLION

SCHOOL DISTRICT	ELECTION DATE	ENROLLMENT	ELECTION AMOUNT	DOLLARS PER STUDENT
May-17				
Carroll ISD	5/6/2017	8,190	\$208,000,000	25,397
Lewisville ISD	5/6/2017	53,182	\$737,550,000	13,868
Mansfield ISD	5/6/2017	34,262	\$275,000,000	8,026
Northwest ISD	5/6/2017	21,964	\$399,000,000	18,166
Nov-17				
Eagle Mountain-Saginaw ISD	11/7/2017	19,591	\$524,755,000	26,786
Fort Worth ISD	11/7/2017	87,233	\$749,735,000	8,595
Little Elm ISD	11/7/2017	7,361	\$239,500,000	32,536
May-18				
Denton ISD	5/5/2018	28,382	\$750,500,000	26,443
Hurst-Euless-Bedford ISD	5/5/2018	23,065	\$199,000,000	8,628
Nov-18				
Birdville ISD	11/6/2018	23,767	\$252,802,490	10,637
Carrollton-Farmers Branch ISD	11/6/2018	25,196	\$350,935,000	13,928
Frisco ISD	11/6/2018	55,745	\$691,000,000	12,396
May-19				
Celina ISD	5/4/2019	2,425	\$600,000,000	247,423
Princeton ISD	5/4/2019	4,137	\$237,400,000	57,385
Prosper ISD	5/4/2019	9,970	\$1,337,000,000	134,102
Possible Keller ISD		\$34,570	\$300,000,000	8,678

LONG RANGE FACILITY PLAN

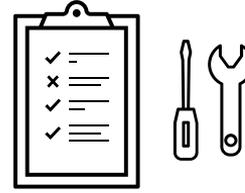
COMPONENTS



Technical Design
Guidelines



Education
Specifications



Facility Conditions
Assessment



Subcommittee
Priorities



Educational Adequacy
Assessment



Capacity
Analysis

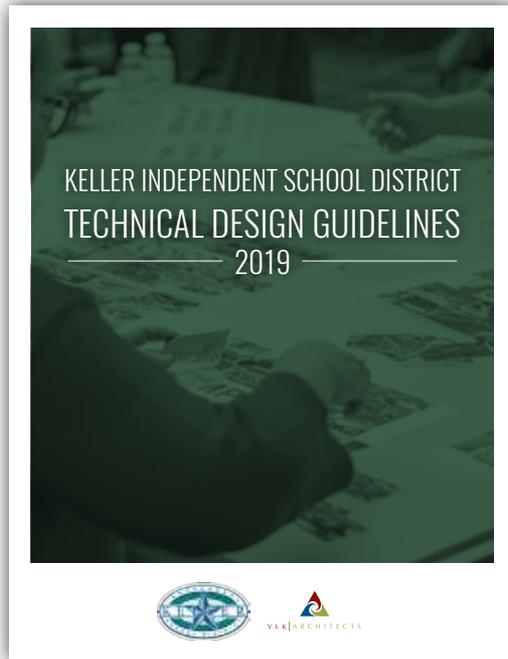


Furniture
Standards



LONG RANGE FACILITY PLAN

TECHNICAL DESIGN GUIDELINES

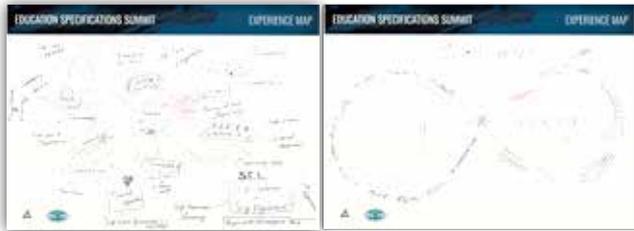


This document states the general principles to be used in the design of schools with respect to systems, construction, materiality, and finishes with the objective of achieving design consistency, equity and quality, and which can be effectively, efficiently and economically managed through their life cycle. The goal of these guidelines is also to provide safe, functional and sustainable environments conducive to learning. They are comprised of all the technical requirements for construction of buildings for the District.



LONG RANGE FACILITY PLAN

EDUCATION SPECIFICATIONS



Design standards and concepts to be used by Keller ISD to guide new facility construction and major space renovations to create engaging and effective learning environments. Texas public schools are required to have these by law.

The specifications define, both narratively and graphically, how learning may occur, and establish performance expectations for Keller ISD facilities, by incorporating principles and strategies for successful teaching and learning within the built environment.

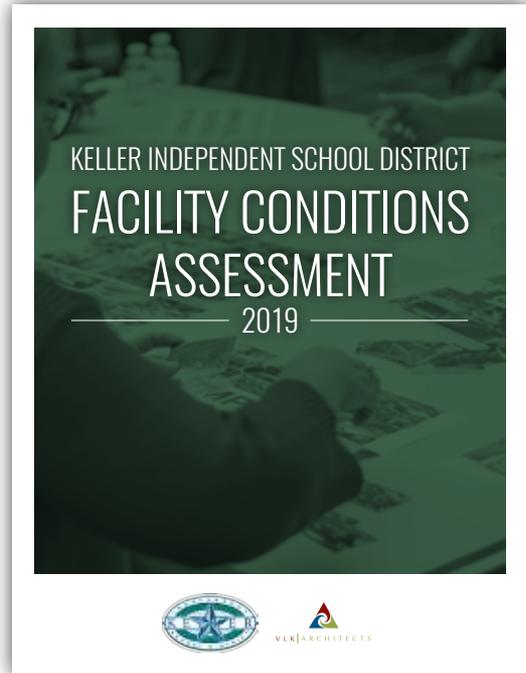


CITIZENS' BOND ADVISORY COMMITTEE

KELLER ISD

LONG RANGE FACILITY PLAN

FACILITY CONDITIONS ASSESSMENT



The FCA is comprised of data collection and capital improvement requirements/recommendations of the physical conditions of all facilities in the District. It considers life safety systems, TEA Guidelines, health and welfare of the students, maintenance, the life cycle duration of all the systems and finishes in the building.



CITIZENS' BOND ADVISORY COMMITTEE

KELLER ISD

LONG RANGE FACILITY PLAN

EDUCATIONAL ADEQUACY ASSESSMENT



EDUCATIONAL ADEQUACY INDEX

School: _____ District: _____
 Enrollment: _____ Maximum Capacity: _____ Functional Capacity: _____ Date: _____
Scoring: 1=Poor 2=Below Standard 3=Meets Standard 4=Exceeds Standard 5=Exceptional

SITE

	Score	Comments	Not Reviewed
Enough usable acreage to meet education needs			
Space for future expansion			
Parking lots have appropriate security lighting			
Parking is adequate for visitors			
Parking is adequate for teachers			
Parking is adequate for events			
Separation of car, bus, student, and service traffic			
Adequate stacking space on site for cars and buses			
Separation of vehicular and pedestrian traffic			
Directional signage is appropriate			
The site perimeter is fenced			

Average score for this section: _____

ENTRY/LOBBY/CORRIDORS/COMMON SPACES

	Score	Comments	Not Reviewed
The main entrance is easy to find			
Entrances and exits permit safe and efficient pedestrian flow			
Size of lobby, common spaces supports numbers gathering			
Corridors are wide enough for efficient flow			
Includes gathering / instructional area			
The building can be compartmentalized for security			

Average score for this section: _____

VLK Educational Adequacy Index | Page 1

This assessment considers the current conditions of the learning environments for all facilities in the District in comparison against the new Education Specifications, Next Generation Learning Environments, and in alignment with the District’s Visioning Core Values. It makes statements, recommendations, and requirements for the facilities and space that are needed to accommodate learning in Keller ISD today in in the future.



LONG RANGE FACILITY PLAN

CAPACITY ANALYSIS

DRAFT 2

PROGRAM OF REQUIREMENTS
 NEW DENTON HIGH SCHOOL
 DENTON INDEPENDENT SCHOOL DISTRICT
 8/7/2018

CAPACITY	T.S.	CAPACITY
B-1. ACADEMIC	68	2,020
C-1. FINE ARTS	15	420
E-1. SPECIAL PROGRAMS	0	0
F-1. P.E./ATHLETICS	9	212
G-1. CAREER & TECHNOLOGY	17	476
CAPACITY SUBTOTAL:	109	3,074
THEORETICAL MAXIMUM CAPACITY		3,074
FUNCTIONAL CAPACITY (80%)		2,459
		2,414
	SIZE S.F.	S.F./STU.
CAFETERIUM CAPACITY	12,300	15
		820
A. ADMINISTRATION	SIZE S.F.	QTY.
		SUBTOTAL S.F.
PRINCIPAL	251	1
PRINCIPAL	69	1
TOILET	44	1
STORAGE	185	1
SECRETARY	667	1
RECEPTION	715	1
STUDENT REFERRAL CLASSROOM (SS)	316	1
TOILET	695	1
SAC	214	1
CONFERENCE ROOM	101	1
ADMINISTRATION RECEIVING		
PRINCIPAL SUBTOTAL:		3,057
ASSISTANT PRINCIPAL	331	1
RECEPTION/SECRETARY	159	4
ASSISTANT PRINCIPALS	191	1
ASSOCIATE PRINCIPAL	363	1
ATTENDANCE OFFICE	178	1
FINANCIAL OFFICE	93	1
STORAGE	213	1
CONFERENCE ROOM	129	1
FILE STORAGE		
ASSISTANT PRINCIPAL SUBTOTAL:		2,132

This study analyzes the spatial needs to accommodate current curriculum and programmatic needs for today's student population at each campus and for future demographic shifts. It will be used to determine what physical space additions and/or modifications are needed to serve the students at each campus.



LONG RANGE FACILITY PLAN

SUBCOMMITTEES



**CURRICULUM &
INSTRUCTION**
Sara Koprowski



**ALTERNATIVE EDUCATION
PROGRAMS**
Dustin Blank



**BUILDING
MAINTENANCE**
Jerry Leafgreen



FINE ARTS
Kim Blann



ATHLETICS
Eric Persyn



SAFETY & SECURITY
Kevin Kinley



**CAREER & TECHNICAL
EDUCATION**
Leslee Shepherd



**SPECIAL EDUCATION
PROGRAMS**
Gena Koster



TECHNOLOGY
Joe Griffin



LONG RANGE FACILITY PLAN

PROJECT LIST

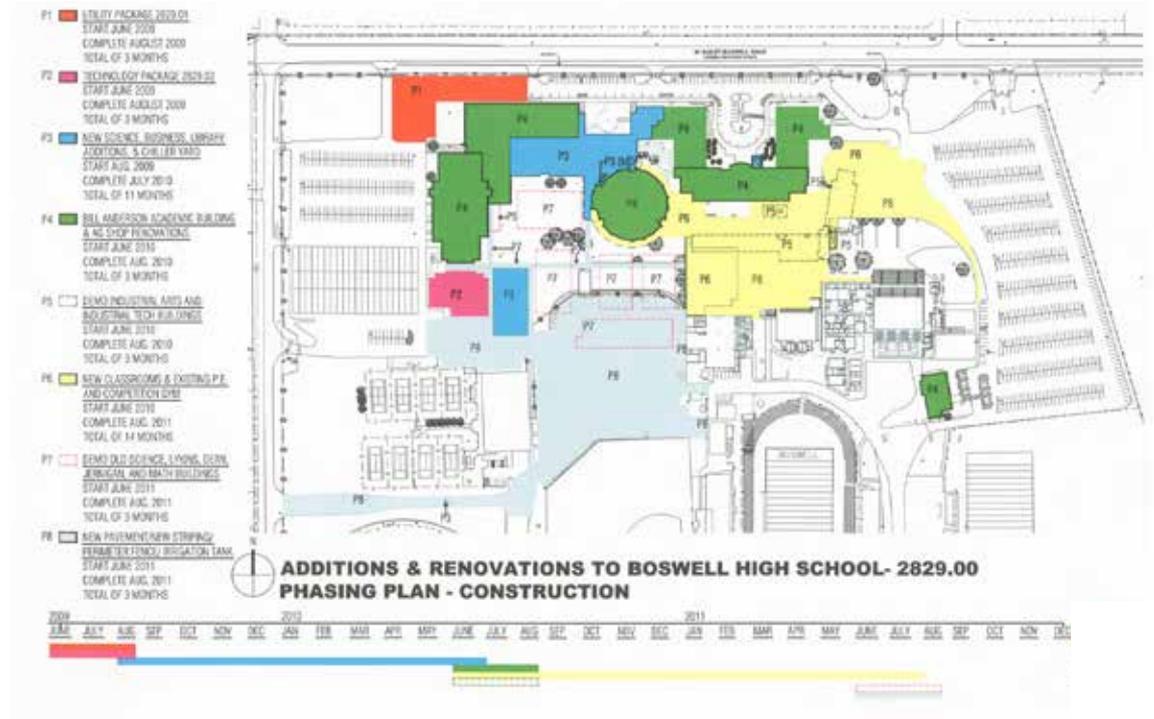
LONG RANGE FACILITY PLAN LIST OF PROJECTS		Subcommittee	Priority	Project Cost	Cumulative Total
1	Whitley Road Elementary School Replacement	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 32,328,758	\$ 32,328,758
2	Florence Elementary School Replacement	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 32,328,758	\$ 64,657,515
3	District-Wide Safety and Security Upgrades	S&S, Maint, Tech	1	\$ 20,270,083	\$ 84,927,598
4	Parkview Elementary School Replacement	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 33,521,597	\$ 118,449,194
5	Heritage Elementary School Replacement	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 32,328,758	\$ 150,777,952
6	District-Wide MEP and Life Safety Upgrades Package I	S&S, Maint, Tech, FA	1	\$ 34,400,825	\$ 185,178,777
7	District-Wide Technology Upgrades	S&S, Maint, Tech	1	\$ 7,620,961	\$ 192,799,738
8	Keller Middle School Academic Additions and Renovations, Fine Arts Renovations, Administrative, Cafeteria, Locker Room Renovations, and Capital Improvements	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 23,010,001	\$ 215,809,739
9	Fossil Hill Middle School Academic Additions and Renovations, Fine Arts Renovations and Capital Improvements	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 21,522,625	\$ 237,332,364
10	Park Glen Elementary School Additions and Renovations	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 11,402,418	\$ 248,734,782
11	Lone Star Elementary School Additions and Renovations	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 15,643,966	\$ 264,378,749
12	Shady Grove Elementary School Additions and Renovations	C&I, S&S, Maint, SPED, Tech, FA	1	\$ 13,159,303	\$ 277,538,051



PROJECT DEVELOPMENT

PHASING

- School Schedule
- Constructability
- Campus Priorities
- School Operations



PROJECT DEVELOPMENT

PARKVIEW ELEMENTARY SCHOOL



CITIZENS' BOND ADVISORY COMMITTEE
KELLER ISD

PROJECT DEVELOPMENT

PARKVIEW ELEMENTARY SCHOOL



CITIZENS' BOND ADVISORY COMMITTEE
KELLER ISD

PROJECT DEVELOPMENT

PARKVIEW ELEMENTARY SCHOOL



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PROJECT DEVELOPMENT

PARKVIEW ELEMENTARY SCHOOL



CITIZENS' BOND ADVISORY COMMITTEE
KELLER ISD

PROJECT DEVELOPMENT

PARKVIEW ELEMENTARY SCHOOL



CITIZENS' BOND ADVISORY COMMITTEE
KELLER ISD

PROJECT DEVELOPMENT

OPINION OF PROBABLE COST

Contingency / Allowance			
Owner's Betterment	2.0%	\$	330,965
Contractor's Contingency	2.0%	\$	330,965
Subtotal		\$	661,931
CONSTRUCTION TOTAL (GMP)		\$	17,210,203
Professional Fee Budget			
(Includes costs, fees, tests and studies required to satisfy all governing authorities and codes)			
Site Survey, Subsurface Utility Engineering, Due Dilligence / Property Evaluation, Geotechnical Engineering, Architectural Engineering, TDLR / TAS / ADA Review and Inspection, Food Service Design, On-Site Civil Engineering, Material Testing, HVAC Test and Balance, Building Permit / Review and Inspections			
Subtotal	10%	\$	1,721,020
Fixtures, Furniture & Equipment (FF&E)	8%	\$	718,900
Technology	\$ 5 SF	\$	62,850
TOTAL PROJECT COST MAY 2019		\$	19,712,974
Bid Project November 2020	Escalation @ 1.5 Years	\$	21,522,625



Proposed Phasing Plan of Projects
Present Proposed Project Cost In Plan
Q&A





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Thank You