

**Report and Recommendation to the Superintendent
from the Charter Inclusion Committee**

Introduction: Pursuant to C.R.S. 22-30-30.5-404, the Superintendent has invited the District’s charter schools to submit their capital construction needs for possible inclusion in a potential November 2021 School Construction Bond election. Furthermore, the Superintendent has assembled and convened a committee to review and prioritize the charter requests and to make a recommendation regarding these matters.

The committee included representation from the District’s charter schools and contains the following members:

Name	Representative
Gary Allen	Bond Oversight Committee
Hugh Frazier	Bromley East Charter School
Joan Kniss	Facility Planning Advisory Committee
Johanna Brown	Bond Oversight Committee
Mandy Thomas	Board of Education
Patrick Day	Facility Planning Committee
Scott Richardson	Eagle Ridge Academy Charter School
Tom Green	Board of Education
Wayne Scott	Iam27J

The Committee was assisted in this effort by the following staff and legal consultants:

Name	Title
Dr. Chris Fiedler	Superintendent
Lori Schiek	Chief Financial Officer
Terry Lucero	Chief Operating Officer
Kenlyn Newman	Charter School Liaison
Tanner Dahlman	Executive Secretary, Operations
Kim Crawford	Bond Counsel, Butler Snow, LLP
Dalton Kelley	Bond Counsel, Butler Snow, LLP

As part of the initial meeting, the committee was presented with information related to the pertinent statute and list of all current bond requests. Bond Package B included all requests received from staff and charters to be considered for inclusion in a potential November 2021 School Construction Bond election.

After reviewing the entirety of the statute and specifically the provisions related to the reversion of capital improvements to the District in the event the charter school ceased to exist, the

STEAD School voluntary revised their request downward to prevent any potential conflict with existing lenders. Bond Package B1 reflects the revised request list

Preliminary Bond Request: Bond Package B

Project (likely location)	Estimated Cost	Opening Date	Estimated Construction Start
ES #14 (Southlawn - Phase 2)	\$10,000,000	2022	2021
ES #15 (south plan area) or NHA charter in Second Creek Farm?	\$31,000,000	2024	2022
ES #16 (west plan area)	\$33,000,000	2025	2023
CTE Annex (BHS) 250-300 capacity	\$40,000,000	2023	2021
CTE Annex (PVHS) 250-300 capacity	\$35,000,000	2024	2022
CTE Annex (RRHS) 250-300 capacity	\$35,000,000	2025	2023
MS #6 (central)	\$78,000,000	2024	2022
MS #7 (west plan area)	\$102,000,000	2028	2026
MS #7 land purchase (west plan area)	\$2,500,000		
Comprehensive HS #4 (south plan area)	\$135,000,000	2024	2022
Belle Creek Charter (capital improvement)	\$5,250,000		
Bromley East Charter (debt retirement)	\$16,207,000		
Bromley East Charter (capital improvement)	\$725,213		
Eagle Ridge Academy (debt retirement)	\$8,780,000		
Eagle Ridge Academy (debt retirement?/capital improvement)	\$2,500,000		
Eagle Ridge Academy (capital improvement)	\$6,680,700		
The STEAD School (debt retirement)	\$34,000,000		
North Transportation Terminal	\$12,000,000		
Deferred Maintenance	\$30,000,000	n/a	2022
Safety and Security	\$10,000,000	n/a	2022
Technology	\$10,000,000	n/a	2022
Total	\$563,642,913		

Revised Bond Request: Bond Package B1

Project (likely location)	Estimated Cost	Opening Date	Estimated Construction Start
ES #14 (Southlawn - Phase 2)	\$10,000,000	2022	2021
ES #15 (south plan area) or NHA charter in Second Creek Farm?	\$31,000,000	2024	2022
ES #16 (west plan area)	\$33,000,000	2025	2023
CTE Annex (BHS) 250-300 capacity	\$40,000,000	2023	2021
CTE Annex (PVHS) 250-300 capacity	\$35,000,000	2024	2022
CTE Annex (RRHS) 250-300 capacity	\$35,000,000	2025	2023
MS #6 (central)	\$78,000,000	2024	2022
MS #7 (west plan area)	\$102,000,000	2028	2026
MS #7 land purchase (west plan area)	\$2,500,000		
Comprehensive HS #4 (south plan area)	\$135,000,000	2024	2022
Belle Creek Charter (capital improvement)	\$5,250,000		
Bromley East Charter (debt retirement)	\$16,207,000		
Bromley East Charter (capital improvement)	\$725,213		
Eagle Ridge Academy (debt retirement)	\$8,780,000		
Eagle Ridge Academy (debt retirement?/capital improvement)	\$2,500,000		
Eagle Ridge Academy (capital improvement)	\$6,680,700		
The STEAD School (capital construction?)	\$10,300,000		
North Transportation Terminal	\$12,000,000		
Deferred Maintenance	\$30,000,000	n/a	2022
Safety and Security	\$10,000,000	n/a	2022
Technology	\$10,000,000	n/a	2022
Total	\$539,942,913		

Overall Priority: The Committee is in agreement that any question of bonded indebtedness placed before the voters in November 2021, if passed, should not require the District to increase, from its current level, the mill levy rate required to service the bond redemption fund. The Committee is also in agreement that the amount of the bond request should not rise to the level that would cause the official bond language to include a total payout of one billion dollars.

The increase to the amount of debt the District could seek under to meet these two conditions is estimated by staff to be between \$500 and \$550 million dollars.

Recommendation #1 - After considerable discussion and based on the aforementioned overall priority, the preliminary bond requests and revised bond requests, the Committee recommends that all debt retirement requests be removed from any potential bond package.

The recommended bond request is as follows:

Bond Package C

Project (likely location)	Estimated Cost	Opening Date	Estimated Construction Start
ES #14 (Southlawn - Phase 2)	\$10,000,000	2022	2021
ES #15 (south plan area) or NHA charter in Second Creek Farm?	\$31,000,000	2024	2022
ES #16 (west plan area)	\$33,000,000	2025	2023
CTE Annex (BHS) 250-300 capacity	\$40,000,000	2023	2021
CTE Annex (PVHS) 250-300 capacity	\$35,000,000	2024	2022
CTE Annex (RRHS) 250-300 capacity	\$35,000,000	2025	2023
MS #6 (central)	\$78,000,000	2024	2022
MS #7 (west plan area)	\$102,000,000	2028	2026
MS #7 land purchase (west plan area)	\$2,500,000		
Comprehensive HS #4 (south plan area)	\$135,000,000	2024	2022
Belle Creek Charter (capital improvement)	\$5,250,000		
Bromley East Charter (capital improvement)*	\$540,200		
Eagle Ridge Academy (capital improvement)	\$2,500,000		
Eagle Ridge Academy (capital improvement)	\$6,680,700		
The STEAD School (capital construction)	\$10,300,000		
North Transportation Terminal	\$12,000,000		
Deferred Maintenance	\$30,000,000	n/a	2022
Safety and Security	\$10,000,000	n/a	2022
Technology	\$10,000,000	n/a	2022
Total	\$514,770,900		

*Bond Package C reflects a reduction to the request from Bromley East Charter School. The school was recently informed of the award of a BEST grant for the roof replacement project proposed in their request. The revised amount reflects the school’s financial share of the project after the receipt of the grant.

Recommendation #2 - The Committee further recommends that the Board consider providing funds to assist in the debt retirement and future capital needs of charter schools by placing a mill levy override question before the voters that would include a one mill ask for these purposes. The proceeds from this mill would be distributed on an equitable/per student basis to requesting charter schools.

Note: Given the highly volatile construction market, the costs in the recommended bond request package are estimated and will be finalized prior to the Board considering the request on August

24, 2021. In the event that final pricing exceeds the amount of the \$550 million and/or the total payout rises to the billion dollar threshold the Committee recommends that the Board reduce the debt in the following order of priority:

1. Reduce or eliminate the request from the STEAD School; and
2. Consider reducing the capital improvement requests from the remaining charter schools in an equitable manner.

The Committee expressed appreciation to the Superintendent and the Board of Education for the opportunity to participate in this discussion