

**ORANGE COUNTY
BOARD OF EDUCATION**

AGENDA ITEM ABSTRACT

Meeting Date: March 19, 2012

AGENDA ITEM No. 12-03-(2)-15

ACTION ITEM (Y/N) Y

SUBJECT: 2012 Qualified School Construction Bond Resolution

INFO. CONTACT: Dr. George McFarley **PHONE:** 919-732-8126

ATTACHMENTS:

1. Qualified School Construction Bonds Program (QSCB) Application for Authorization.
-

PURPOSE: To provide the Board an opportunity to approve the OCS Resolution for the Use of Qualified School Construction Bond (QSCB) Proceeds.

BACKGROUND: The QSCB Program was established as part of the American Recovery and Reinvestment Act (ARRA) (Public Law 111-5) effective February 17, 2009. On February 7, 2012 staff was notified that North Carolina has a remainder of \$12,530,150 QSCB funding to be re-allocated.

The application requires a Board of Education resolution certifying the eligibility of the proposed QSCB projects. Again, these QSCB funds reflect a re-allocation of Round I funds from 2010.

FINANCIAL IMPACT: OCS district requests \$2,435,000 be allocated from the remainder of the QSCB allocated to North Carolina.

RECOMMENDATION: The Superintendent recommends the Board approve the Resolution for the Use of Qualified School Construction Bond (QSCB) Proceeds.

QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM
(QSCB)
APPLICATION FOR AUTHORIZATION

Submittal Date: March 7, 2012	Contact Person: Dr. George McFarley
LEA: Orange County Schools	Title: Chief Operating Officer
School: Miscellaneous OCS Schools	Address: 200 E. King Street
Address:	City: Hillsborough
City:	Phone/Fax: 919-732-8126/8120
<input type="checkbox"/> New <input type="checkbox"/> Renovation/Addition	E-mail: george.mcfarley@orange.k12.nc.us

Certification of Eligibility
<p>The Board of Education of the above-named LEA certifies, through a board resolution dated <u>March 7, 2012</u>, that the QSCB proceeds will be used as follows: <i>Note: A copy of the resolution must accompany this application.</i></p>

1. Construction, rehabilitation, or repair of a public school or for land acquisition for such a facility (not land for a future project).
2. Provision of equipment to be used in the portion of the public school facility to be constructed, rehabilitated, or repaired with QSCB funds (not personal computers or similar technology).

Note: A copy of the project description, proposed spending plan and project schedule must accompany this application.

QSCB'S MUST BE ISSUED BY DECEMBER 31, 2012

Orange County Schools Board of Education	Orange County Board of Commissioners
Donna Coffey <u>Donna Coffey</u> Chair	Bernadette Pelissier _____ Chair
Patrick Rhodes <u>Patrick Rhodes</u> Secretary	Donna Baker _____ Clerk
_____ Date	_____ Date

Please return original via certified mail post marked no later than March 16, 2012 to:

QSCB – Reallocation Round 1
 School Planning Section
 North Carolina Department of Public Instruction
 6319 Mail Service Center
 Raleigh NC 27699-6319

Public Schools of North Carolina
Qualified School Construction Bonds Program (QSCB)
PROJECT DESCRIPTION

LEA : 680 Orange County Schools

School:

- CW Stanford Middle (316) Asbestos Abatement \$150,000
- Orange High (332) Asbestos Abatement \$250,000
- Cameron Park Elementary Renovation \$185,000
- Hillsborough Elementary (329) Environmental Controls \$150,000
- CW Stanford Air Handler Replacement \$1,200,000

Project Description: LISTED ABOVE

Public Schools of North Carolina
Qualified School Construction Bonds Program (QSCB)
PROPOSED SPENDING PLAN AND PROJECT SCHEDULE

LEA : Orange County Schools

Date March 7, 2012

LEA Code 680 School Code: SEE PREVIOUS PAGE DSP Property Number (if known)

School: SEE PREVIOUS PAGE Grades: Elementary K-5; Middle 6-8; High 9-12

Proposed Spending Plan

Administration cost/Bond issue costs (max 2%) \$48,700

Design fees: \$175,000

New construction cost \$1,350,000

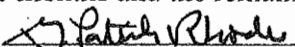
Renovation cost \$1,085,000

Land cost N/A

Total project cost \$2,435,000

Amount of QSCB authority requested \$2,435,000

Other sources of funding and amounts for overall project: NONE
(Note: Funds and reporting are NOT allowed to be comingled)

To comply with the Federal QSCB requirements, we understand that a commitment in the form of contracts for the work for 10% of the funds must be made within 6 months and the remainder must be spent within 3 years after the issue of QSCB bonds. Signed 

Provide a written explanation clearly showing the means by which the district intends to repay the bond principal upon maturity.

Proposed Project Schedule

Date of design start: May 7, 2012

Date of project start: June 4, 2012

Estimated completion date: December 2012

Orange County Board of Education Resolution for the Use of Qualified School Construction Bond Proceeds

WHEREAS:

The Qualified School Construction Bond (QSCB) Program was established as part of the American Recovery and Reinvestment Act of 2009 (ARRA), (Public Law 111-5) effective February 17, 2009.

These interest free bonds must be used for the construction (including new construction), rehabilitation, or repair of a public school, or for land acquisition for such a facility. The maximum term of indebtedness, about 12 years under current market conditions which are subject to change, is set by the U.S. Treasury Department so that the local government's obligation to repay the present value terms will be 50 percent of the borrowed amount.

The U.S. Treasury Department has allocated for 2009 the authority to issue QSCBs in North Carolina in the face value amount of \$275,772,000. The ARRA includes a provision that will allow for a second issuance of bonds in 2010. QSCBs must be issued by December 31, 2010 and the proceeds must be spent within three years of issue date.

BE IT, THEREFORE, RESOLVED by the Orange County Board of Education, as follows:

that the QSCB proceeds allocated to Orange County Schools will be used for the renovation of the projects identified in QSCB Application for Authorization, dated March 7, 2012..

In Witness Whereof, I hereto
Set my hand on this 7th Day of March 2012.



Chair, Board of Education