

**STATE COLLEGE AREA SCHOOL DISTRICT**



**PUBLIC HEARING**

on the proposed

**ADDITIONS AND RENOVATIONS TO  
MOUNT NITTANY ELEMENTARY  
SCHOOL**

at the

State College Area District Administration Office  
240 Villa Crest Drive, State College, PA 16801  
Board Room

on

**Monday, September 30, 2024, 6:00 PM**



**ACT 34 PUBLIC HEARING  
Additions and Renovations to  
Mount Nittany Elementary School**

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**AGENDA**

1. **CALL TO ORDER / INTRODUCTION**  
By Etter Law Firm LLC  
Scott C. Etter  
Solicitor for the State College Area School District
  
2. **PROJECT DESCRIPTION**  
By Crabtree, Rohrbaugh & Associates  
Mr. R. Jeffrey Straub, AIA  
Project Architect
  
3. **FINANCIAL ANALYSIS**  
By North West Financial Group, LLC  
Mr. Tom Beckett  
Financial Advisor
  
4. **PUBLIC COMMENT**  
Question and Answer Period
  - A. Pre-registered speakers / comments
  - B. Please raise hand, stand, and state name, address
  - C. One question at a time - five minute limitation per speaker
  
5. **ADJOURNMENT**

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## **INTRODUCTION**

The School Board of the State College Area School District for Mount Nittany Elementary School, State College, Pennsylvania is providing this opportunity to inform the public as to the State College Area School District's consideration of a project to construct additions and renovations to the existing facility.

The project is in response to a review of the academic program needs for the school population along with some reallocation within the existing school.

This public hearing is being held in accordance with Act 34 of 1973 of the Commonwealth of Pennsylvania. The purpose is to have the school administration, architect and financial advisors present a proposal for the construction of additions and renovations to the existing facility.

The specific purposes for this hearing are as follows:

1. Establish the need for the project by reviewing events leading to the State College Area School Board's consideration to initiate the building improvement project.
3. Describe the type of building additions to be constructed and the educational programs that serve as the basis for the project under consideration.
4. Present the estimated construction cost, the total project cost, indirect costs and the financial needs and estimate of the local tax impact of the project.
5. Provide citizens and residents an opportunity to offer comments and written testimony concerning the project.

Please feel free to participate during the comment period at the latter part of the presentation. An official transcript of the hearing is being recorded in order for the State College Area School Board to consider and study your constructive comments, insights and observations.

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**PROJECT NEED**

The State College Area School District (SCASD) desires to undertake a building improvements project at Mount Nittany Elementary School to improve existing infrastructure, academic and technical program functions as identified in the building facility study. Existing conditions relative to program capacity and spatial limitations, justify a need for building improvements. Most of the school has not been modernized since its construction in 2011 and renovations and new construction are needed to provide equity to the educational program throughout the school district and facilitate the academic achievement of the students. These issues support the need for this building improvements program.

The school building, located in State College, Centre County, has existed on this site since 2011/2012 as documented by the PA Department of Education.

Currently, the building houses approximately 21 classrooms, library, multi-purpose room serving gym and cafeteria functions, and 1 music classroom. While the existing classrooms are adequately sized, the total number of classrooms does not support the current student population, most notably due to expansion to student population growth and expansion of special education needs throughout the school district.

In addition to the existing classrooms, there is limited support educational space within the existing building including small group instruction, large group instruction, and a dedicated instrumental room for music and general storage. Last, there is a need for a separate gym & cafeteria which are currently sharing one multipurpose space which has become a scheduling issue due to the student capacity of the school. All these program needs are being addressed as part of the building addition.

Over the past 20+ years SCASD has renovated all of their elementary schools. SCASD is now moving into a period of maintaining their facilities at the elementary school level along with adjustments to meeting population growth and/or program reconfiguration to meet the current educational program.

There is existing separation between bus, visitor, faculty, parent and pedestrian traffic. However, due to the anticipated student growth and need for an educational capacity increase, more parking, a dedicated drop-off loop for Mount Nittany Elementary School, and safe access to the play fields is needed for the students and staff and is being planned.

The exterior envelope and systems were found to be in good condition due to the age of the school. The “bones” or structure and masonry veneer are sound and will last for another 40 years if maintained correctly, however the project will complete limited deferred maintenance in the existing facility and select renovations to accommodate the new additions.

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## **PROJECT NEED**

State reimbursement criteria is an important consideration when defining the scope of building improvements. The Pennsylvania Department of Education (PDE) encourages all schools wishing to implement a building improvement project to bring the entire building up to prevailing educational and reasonably current construction standards and code compliance as a condition of reimbursement. PDE recognizes that every 20 year period a building facility should be brought up to the above noted standards. That is why measures for reimbursement are set in place at that time to help with the financial burden.

The existing Mount Nittany Elementary School has never been renovated by PA Department of Education records due to the building being 13 years old and a current statewide moratorium on funding for school construction from the PA Department of Education. Due to these reasons SCASD has planned for funding fully within local funding sources.

In addition, SCASD is investigating partial reimbursement from the Federal Inflation Reduction Act related to a photovoltaic array and expansion of the current geothermal heating ventilation and air conditioning system.

Because the building is being designed to U.S. Green Building Council LEED Silver Standards or higher, future building expansion is being planned for through a Site Master Plan. This incorporates a two classroom addition to each of the three classroom wings.

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**OPTIONS CONSIDERED**

A feasibility study was started in the spring of 2016 and completed in May of 2016 and received PDE PlanCON Part A&B approval in June of 2016.

This study resulted in renovation and construction of the remaining elementary schools within SCASD that was completed in 2019 bringing all eight elementary schools up to date in the past 20 years.

Due to all buildings being renovated the current project at Mount Nittany Elementary did not evaluate multiple options. This was due to the specific needs of the project being met by addressing special education needs in the Mount Nittany catchment area of SCASD and accommodating recent overcrowding that required expansion into Panorama Village Building temporarily. The project discussed is specifically addressing these needs for SCASD.

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## **PROJECT DESCRIPTION**

**Site** - Located @ 700 Brandywine Drive, State College, PA.

**Site Size:** Approximately 40 Acres (Existing)

**Current Site Usage:** Educational

**Topography:** Immediate building site has gradual to moderate slopes, decreasing in elevation heading south. The topography around the proposed addition has a gradual decline to the south.

**Wetlands:** Low Points on the site exist that experience flooding on a regular basis and are below the 100 year flood plain. The school and associated parking areas do not encroach on these areas of the site.

**Available Utilities:** Electricity, Gas, Water, Sewer

**Site Access:** Adequate Access.

**Community Use:** School accommodates limited community activities during non school hours

**Parking:** Parking will be expanded under current design to accommodate growth, staff and visitor parking, and create a safe and more direct entry into the proposed addition.

**Existing Conditions Adjacent Site Affecting Health and Safety:** None

**Bus & Automobile Drop Off / Pick Up Areas:** A new drop-off loop is being added to the east side of the site next to the building. The existing parking area in front of the building will remain for students and staff, as well as a drop off area for the middle school across from Mount Nittany Elementary School.

**Loading and Receiving Area:** Will remain at the east side of the building, and a new receiving addition will be added to the plan south to allow for bulk deliveries to the building.

**School Play Areas:** As part of the project, the grass play fields will be relocated and accommodated on site.

## **Building**

**Program:** Additions and Renovation to Existing Facility

**Total Square Footage:** Existing – 59,946 SF; Renovated – 2,939 SF; New – 36,627 SF; Final Completed Building- 96,573 SF (97,108 SF w/ Alternate Storage); Alternate for Additional (2) Exterior Storage Rooms – 535 SF

**Building Structure:** Two Story Masonry/Steel Framed Structure.

The renovated Mount Nittany Elementary School will serve Kindergarten through 5<sup>th</sup> grades. The building has been programmed with SCASD educational staff to accommodate not only SCASD's current educational program throughout the school district but also incorporate flexibility for the building to evolve educationally over the coming 20 years. To this end, classrooms are designed for flexibility whether they are used for 1<sup>st</sup> grade, 5<sup>th</sup> grade or special education.

The building is being designed to have (4) classrooms per grade.



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## **PROJECT DESCRIPTION**

Classrooms are organized into educational wings, typically grouping 2 grades together, including small group instruction, storage, and restroom facilities directly adjacent to the classrooms to facilitate quick movement between education and activities, increasing educational instruction time.

Public Spaces, such as the existing multi-purpose room, will become a dedicated gymnasium, while a new cafeteria is planned for the addition, which will also have the opportunity to serve as a large group instruction much of the day when not used for cafeteria functions.

Maintaining security is a primary focus for the project. Each zone of the building will be isolated from the remainder of the building with security doors that are magnetically held open, but also allow sectors of the building to be utilized after hours for community use. Security cameras, and electronic key hardware have also been incorporated into the project and discussed with SCASD staff and emergency services personnel.

The building will have mechanical, electrical and plumbing expanded to accommodate the new addition as described in the following building system pages.

All new and renovated spaces will meet PDE recommended sizes.

The building addition is being designed to meet LEED Silver sustainable and energy efficient standards. This includes increased efficiency to the thermal envelope to the building, reduction in energy and water use, daylighting of classrooms and primary educational spaces, improved indoor air quality levels, acoustic performance, mold prevention, reduction in construction waste and use of recycled materials to create a durable facility for the next 40 years.

The addition meets the building needs by specifically accommodating one additional classroom wing, a south wing that accommodates special education, small group instruction and storage. In addition to the two classroom wings the core of the addition, will accommodate the large Group Instruction/ Cafeteria and Kitchen discussed along with a new main lobby that incorporates an open classroom and Large Group Instruction.

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## **PROJECT DESCRIPTION**

### **Building Systems:**

Improvements include:

- Domestic water, sanitary, and storm water service will be extended to accommodate the new building addition.
- New plumbing systems and fixtures will be provided in the new building addition.
- The existing fire water service will be extended to the new building addition.
- The existing high-efficient gas-fired domestic water heating system will remain.
- Existing plumbing fixtures will be replaced where required to accommodate the existing building renovation areas.
- Existing HVAC systems will be replaced where required to accommodate the existing building renovation areas.
- Existing HVAC unit controllers will be replaced with new direct digital controllers throughout the existing building.
- Existing HVAC building management system will be extended to accommodate new building addition.
- Existing geothermal water source water piping will be extended to the new building addition.
- New geothermal water source heat pump systems will be provided in the new building addition.
- New geothermal well fields will be provided for the new building addition.
- New air distribution systems for the new building addition.
- The water system will be chemically treated to prevent corrosion and freezing.
- The entire air and water distribution system will be balanced to meet the specified criteria.
- A new secondary metered electrical service will be installed utilizing a new pad-mounted transformer. Underground trenching and raceway system will be installed to accommodate the electrical utility requirements. The service voltage will be 480/277V, 3-Phase, 4-Wire. The pad mounted transformer will supply a switchboard sized to handle the building and back feed the existing electrical distribution in the portions of the existing building not being renovated or demolished.
- Panelboards supplied from the new switchboard will be installed throughout the building addition and will be strategically located to accommodate building load requirements.
- Portable temporary modular classrooms will be supplied with electrical power, data, clock, paging and fire alarm connections as required during construction and renovation of the existing school.
- A roof-mounted photovoltaic system will be installed and tied into the building's electrical distribution system.
- Receptacles will be provided throughout the building as required.
- The lighting system shall meet the current International Energy Conservation Code as required and designed to accommodate building space requirements.
- All lighting in the addition will be illuminated using LEDs. New exterior lighting shall also use LED's as the source.

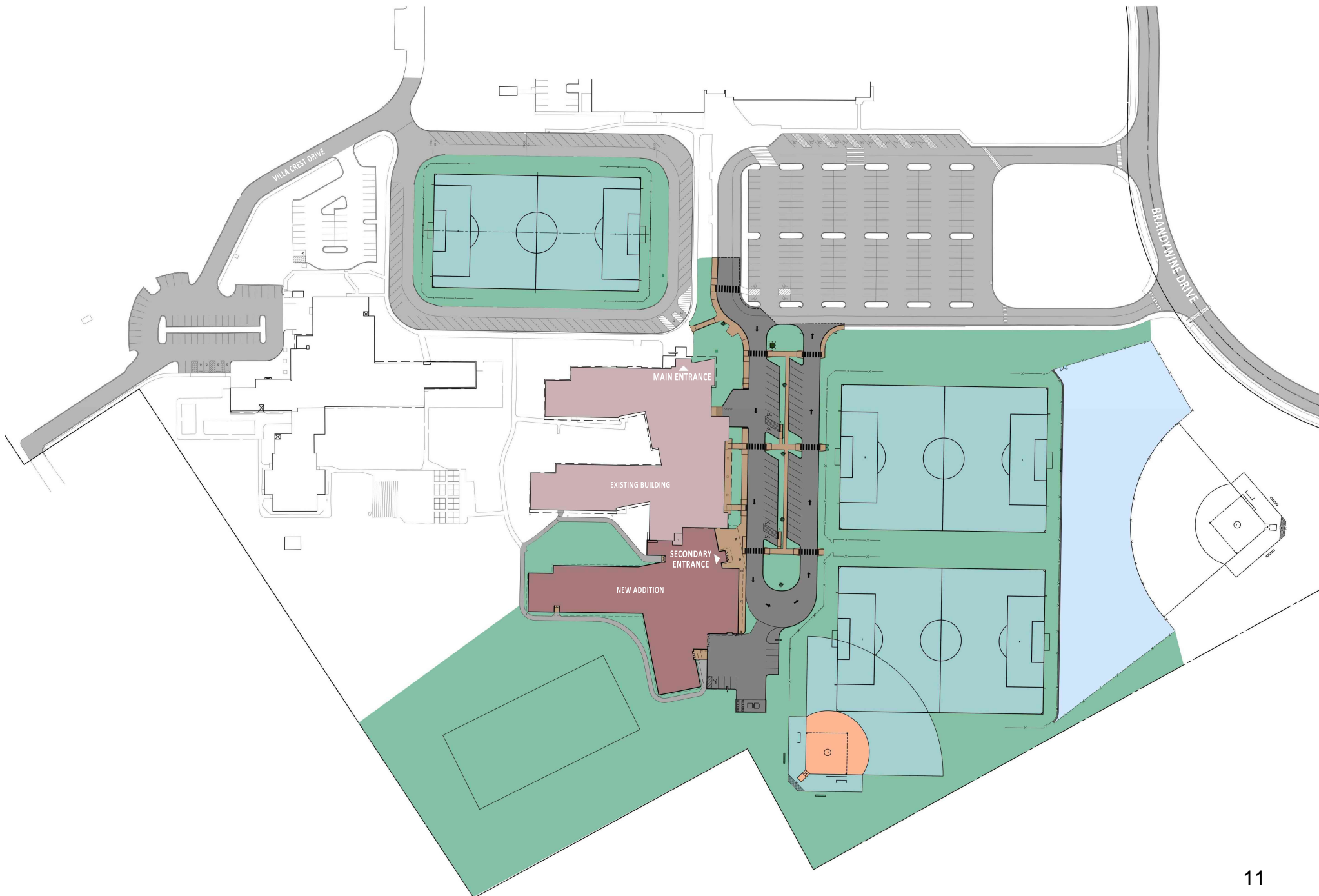
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- Offices and Corridors will be primarily illuminated using recess-mounted LED lighting fixtures with lenses.
- Classrooms will be illuminated using pendant-mounted linear LED lighting fixtures.
- All rooms will be equipped with a vacancy-sensing device to provide automatic shut-off where permitted.
- Rooms with exterior windows allowing adequate daylight will be equipped with daylight sensors to reduce electrical loads per the Energy Conservation Code.
- Storage and Utility Rooms will be illuminated by surface or chain mounted lighting fixtures.
- Large Group Instruction, Cafeteria, and the Commons area shall be illuminated using decorative pendant mounted fixtures.
- Egress lighting will be provided to meet the requirements of the IBC Building Code.
- Exit lights shall be internally illuminated LED type with directional arrows.
- Four button low voltage switches will be provided in each classroom to control the front and back of the room independently. Generally, the row of lights nearest to the whiteboard shall be switched separately.
- Parking areas will be illuminated using LED wall and/or pole mounted lighting fixtures.
- Site lighting shall be controlled through a lighting control panel with a manual override switch, contactors, time control, and a photocell. Light fixtures shall be provided over each exterior door to provide normal light controlled by a lighting control panel 'on' and programmable time clock 'off'. The fixture shall also be connected to the emergency generator through a transfer relay.
- Light fixtures shall be provided around the perimeter of the building to provide general illumination. Building lighting shall be controlled by a lighting control panel 'on' and programmable time clock 'off'.
- Emergency power shall be provided by a gas-fired emergency generator.
- The existing data closets will remain with new closets being added for the new wing. All existing data cabling will be replaced with new CAT6 cabling.
- An underground conduit and manhole system will be installed between the building and the roadway where communication system services will be supplied from.
- A new addressable and voice-type fire alarm system capable of meeting current code standards will be installed. The new and existing fire alarm systems will be temporarily interfaced during Phase 1 until the existing fire alarm system has been completely removed during Phase 2.
- A rescue assistance system will be installed in the building as required.
- A new master clock and intercom program/paging system will be installed. The existing clock and intercom system will be operated in parallel during construction until the existing system has been removed.
- Classrooms, LGI and cafeteria areas will be provided with local sound reinforcing for voice and audio-visual sound reinforcement. Assisted listening systems will be provided for cafeteria and LGI areas.

**This building will be designed under the following code requirements:**

PA Uniform Construction Code, IBC, ADA, L&I





PLANS INTENTIONALLY  
OMITTED FOR SECURITY  
PURPOSES

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PURPOSES

**PROJECT ACCOUNTING BASED ON ESTIMATES (1 of 2)**

District/CTC: State College Area School District	Project Name: Mount Nittany Elementary School	Project #: 3687
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**ROUND FIGURES TO NEAREST DOLLAR**

PROJECT COSTS	NEW	EXISTING	TOTAL
A. STRUCTURE COSTS (include site development)			
1. General (Report costs for sanitary sewage disposal on line E-1.)	10,298,674	593,900	10,892,574
2. Heating and Ventilating	2,894,738	339,603	3,234,341
3. Plumbing (Report costs for sanitary sewage disposal on line E-1.)	1,238,933	299,926	1,538,859
4. Electrical	2,231,435	341,072	2,572,507
5. Asbestos Abatement (D04, line C-3)	X X X X X X		
6. Building Purchase Amount	X X X X X X		
7. Other * (Exclude test borings and site survey)			
a. _____			
b. _____			
c. _____			
d. _____			
e. PlanCon-D-Add't Costs, Total			
A-1 to A-7 - Subtotal	16,663,780	1,574,501	18,238,281
8. Construction Insurance			
a. Owner Controlled Insurance Program on Structure Costs (Exclude asbestos abatement, building purchase and other structure costs not covered by the program)			
b. Builder's Risk Insurance (if not included in primes)			
c. Construction Insurance - Total			
9. TOTAL-Structure Costs (A-1 to A-7-Subtotal plus A-8-c)	16,663,780	1,574,501	18,238,281
B. ARCHITECT'S FEE			
1. Architect's/Engineer's Fee on Structure	1,144,106	98,406	1,242,512
2. EPA-Certified Project Designer's Fee on Asbestos Abatement	X X X X X X X X X X X X		
3. TOTAL - Architect's Fee	1,144,106	98,406	1,242,512
C. MOVABLE FIXTURES AND EQUIPMENT			
1. Movable Fixtures and Equipment			
2. Architect's Fee			
3. TOTAL - Movable Fixtures & Equipment			
D. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES & EQUIPMENT - TOTAL (A-9 plus B-3 and C-3)	17,807,886	1,672,907	19,480,793
E. SITE COSTS			
1. Sanitary Sewage Disposal			
2. Sanitary Sewage Disposal Tap-In Fee and/or Capacity Charges			
3. Owner Controlled Insurance Program/Builder's Risk Insurance on Sanitary Sewage Disposal			
4. Architect's/Engineer's Fee for Sanitary Sewage Disposal			
5. Site Acquisition Costs			
a. Gross Amount Due from Settlement Statement or Estimated Just Compensation		X X X X X X X X X X X X X X X X X X	
b. Real Estate Appraisal Fees		X X X X X X	
c. Other Related Site Acquisition Costs		X X X X X X	
d. Site Acquisition Costs - Total		X X X X X X	
6. TOTAL - Site Costs			
F. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES & EQUIPMENT, AND SITE COSTS - TOTAL (D plus E-6)	17,807,886	1,672,907	19,480,793

\* Type "No Fee" beside each item for which no design fee is charged.



**PROJECT ACCOUNTING BASED ON ESTIMATES (2 of 2)**

District/CTC: State College Area School District	Project Name: Mount Nittany Elementary School	Project #: 3687
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**ROUND FIGURES TO NEAREST DOLLAR**

<b>PROJECT COSTS (CONT.)</b>				<b>TOTAL</b>
<b>G. ADDITIONAL CONSTRUCTION-RELATED COSTS</b>				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				
2. Construction Manager Fee and Related Costs				
3. Total Demolition of Entire Existing Structures and Related Asbestos Removal to Prepare Project Site for Construction of New School Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				57,691
5. Test Borings				15,000
6. Site Survey				35,000
7. Other (attach schedule if needed)				
a. <u>Testing/ Inspection, Regulatory, CxA, Consultant Fees FF&amp;E by Owner</u>				1,828,144
b. <u>PlanCon-D-Add't Costs, Total</u>				
8. Contingency				879,414
9. TOTAL - Additional Construction-Related Costs				2,815,249
<b>H. FINANCING COSTS</b> <i>FOR THIS PROJECT ONLY</i>	<b>BOND ISSUE/NOTE</b> <b>SERIES OF 2024</b>	<b>BOND ISSUE/NOTE</b> <b>SERIES OF 2025</b>	<b>BOND ISSUE/NOTE</b> <b>SERIES OF _____</b>	X X X X X X X X X X X X
1. Underwriter Fees	52,972.50	22,732.50		75,705.00
2. Legal Fees	40,500.00	16,815.03		57,315.03
3. Financial Advisor	25,000.00	10,379.65		35,379.65
4. Bond Insurance				
5. Paying Agent/Trustee Fees and Expenses	1,500.00	622.78		2,122.78
6. Capitalized Interest				
7. Printing	1,000.00	415.18		1,415.18
8. CUSIP & Rating Fees	22,000.00	9,134.09		31,134.09
9. Other				
a. <u>Rounding/Misc.</u>	1,260.71	4,771.86		6,032.57
b. _____				
10. TOTAL-Financing Costs	144,233.21	64,871.09		209,104.30
<b>I. TOTAL PROJECT COSTS (F plus G-9 plus H-10)</b>				22,505,146
<b>REVENUE SOURCES</b>	<b>BOND ISSUE/NOTE</b> <b>SERIES OF #####</b>	<b>BOND ISSUE/NOTE</b> <b>SERIES OF #####</b>	<b>BOND ISSUE/NOTE</b> <b>SERIES OF _____</b>	<b>TOTAL</b>
<b>J. AMOUNT FINANCED</b> <i>FOR THIS PROJECT ONLY</i>	15,000,000.00	6,495,000.00		21,495,000.00
<b>K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY</b>	456,497.40	186,046.60		642,544.00
<b>L. INTEREST EARNINGS</b> <i>FOR THIS PROJECT ONLY</i>	298,301.24	69,301.06		367,602.30
<b>M. BUILDING INSURANCE RECEIVED</b>				
<b>N. PROCEEDS FROM SALE OF BUILDING OR LAND</b>				
<b>O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)</b>				
<b>P. OTHER FUNDS (ATTACH SCHEDULE)</b>				
<b>Q. TOTAL REVENUE SOURCES</b>				22,505,146

<b>DETAILED COSTS</b>			
District/CTC: State College Area School District	Project Name: Mount Nittany Elementary School	Project #: 3687	
	<b>NEW</b>	<b>EXISTING</b>	<b>TOTAL</b>
<b>A. SITE DEVELOPMENT COSTS</b> (exclude Sanitary Sewage Disposal)			
1. General (include Rough Grading to Receive Building)	2,750,000		2,750,000
2. Heating and Ventilating			
3. Plumbing			
4. Electrical	500,000		500,000
5. Other: _____			
6. Other: _____			
7. A-1 thru A-6 - Subtotal	3,250,000		3,250,000
<b>8. Construction Insurance</b>			
a. Owner Controlled Insurance Program on Site Development Costs			
b. Builder's Risk Insurance (if not included in primes)			
c. Construction Insurance - Subtotal			
9. Site Development Costs - Total	3,250,000		3,250,000
<b>B. ARCHITECT'S FEE ON SITE DEVELOPMENT</b>	234,375		234,375
			<b>EXISTING</b>
<b>C. ASBESTOS ABATEMENT</b>			
1. Asbestos Abatement			
2. AHERA Clearance Air Monitoring			
3. Asbestos Abatement - Total (D02, line A-5)			
<b>D. EPA-CERTIFIED PROJECT DESIGNER'S FEE ON ASBESTOS ABATEMENT (D02, LINE B-2)</b>			
<b>E. ROOF REPLACEMENT/REPAIR</b>			
1. Roof Replacement Repair			
2. Owner Controlled Insurance Program on Roof Replacement/Repair			
3. Builder's Risk Insurance (if not included in primes)			
4. Roof Replacement/Repair - Total			
<b>F. ARCHITECT'S FEE ON ROOF REPLACEMENT/REPAIR</b>			

**ACT 34 OF 1973: MAXIMUM BUILDING CONSTRUCTION COST  
FOR NEW BUILDING OR SUBSTANTIAL ADDITION ONLY**

District/CTC: State College Area School District	Project Name: Mount Nittany Elementary School	Project #: 3687
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Act 34 applies only to costs for new construction. The legal requirements do not address the costs for alterations to existing structures. For this reason, costs associated with the existing structure and other related costs should not be included in the following calculations.

A. STRUCTURE COST, ARCHITECT'S FEE, MOVABLE FIXTURES AND EQUIPMENT (D02, line D-NEW)

\$ 17,807,886

B. EXCLUDABLE COSTS FOR NEW CONSTRUCTION

1. Site Development Costs (D04, line A-7-NEW) \$ 3,250,000

2. Architect's Fees on the above  
excludable costs \$ 234,375

3. Vocational Projects Only - Movable  
Fixtures & Equipment (D02, line C-3-NEW) \$ \_\_\_\_\_

4. Total Excludable Costs  
(B-1 plus B-2 and B-3) \$ 3,484,375

C. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST  
(A minus B-4)

\$ 14,323,511

**THE BOARD MUST ADOPT THE FIGURE ON  
LINE C BEFORE SCHEDULING THE FIRST  
ACT 34 HEARING.**

**THE FIGURE ON  
LINE A SHOULD  
NOT BE ADOPTED  
BY THE BOARD.**

IF THE MAXIMUM BUILDING CONSTRUCTION COST BASED ON BIDS IS EQUAL TO OR GREATER THAN THE MAXIMUM BUILDING CONSTRUCTION COST BASED ON ESTIMATES PLUS EIGHT PERCENT (LINE D), A SECOND PUBLIC HEARING WILL BE REQUIRED BEFORE ENTERING INTO CONTRACTS AND STARTING CONSTRUCTION ON ANY PLANNED WORK.

D. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST  
TIMES 1.08 (C times 1.08)

\$ 15,469,392

**THE FIGURE ON LINE D  
SHOULD NOT BE ADOPTED BY  
THE BOARD.**

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Additions and Renovations to  
Mount Nittany Elementary School

**ANALYSIS OF FINANCING ALTERNATIVES &**  
**INDIRECT COSTS**

## ANALYSIS OF FINANCING ALTERNATIVES

We have analyzed four alternative methods of financing the proposed designing, constructing, furnishing, and equipping the Mt. Nittany Elementary School Project (the "Project"). We also estimated the direct costs of financing as required by the Department of Education regulations issued November 4, 1978.

### Analysis of Alternatives

The four alternatives of financing that we examined are:

1. Cash or a short-term loan.
2. General obligation bond issue.
3. A local authority issue.
4. A financing through the State Public School Building Authority (SPSBA).

**TABLE 1**

State College Area School District Mt. Nittany Elementary Project			
Long Term Financing Cost Comparison			
	General Obligation Bond	Local Authority <sup>(1)</sup>	SPSBA
<b>Construction &amp; Related Costs</b>	\$ 19,480,793.00	\$ 19,480,793.00	\$ 19,480,793.00
<b>Contingency &amp; Supervision</b>	\$ 2,815,249.00	\$ 2,815,249.00	\$ 2,815,249.00
<b>Costs of Issuance</b>	\$ 268,413.48	\$ 288,413.48	\$ 258,413.48
<b>Total Costs</b>	\$ 22,564,455.48	\$ 22,584,455.48	\$ 22,554,455.48
<b>Less: Interest Earned</b>	\$ (410,614.48)	\$ (410,614.48)	\$ (410,614.48)
<b>Less: Bond Premium</b>	\$ (658,841.00)	\$ (658,841.00)	\$ (658,841.00)
<b>Total Bond Issue</b>	\$ 21,495,000.00	\$ 21,515,000.00	\$ 21,485,000.00
<b>Pro-Forma Interest Rate <sup>(2)(3)</sup></b>	4.030%	4.250%	4.250%
<b>All-In Cost of Funds</b>	4.060%	4.310%	4.310%
<b>Term</b>	20	20	20
<b>Average Annual Debt Service</b>	\$ 1,585,844	\$ 1,618,355	\$ 1,616,098

<sup>(1)</sup> Local Authority will have additional administrative expenses and fees. These have not been included in the annual cost.

<sup>(2)</sup> Pro-forma based on estimated interest rates for callable, par bonds as of 8/14/24. Interest rates are typically higher on Local Authority and SPSBA Revenue Bonds when compared to non-bank qualified general obligation bonds

<sup>(3)</sup> Rate, Term and Annual Debt Service assume a 20 Year term financing amortized to produce level annual debt service on the proposed issue. Rate is average coupon.

Analysis of the School District's financial statements for recent years, and of the financing projections prepared in connection with this Project, and discussions with the School District's Administration indicated that financing the entire project with cash is not feasible. Based on the School District's multi-year financial projections, when

combined with other capital spending needs, the School District does not have the funds necessary to pay cash for its share of the Project, nor does it appear that the School District would be able to raise the required amounts from its anticipated cash flow to meet the proposed construction schedule.

We then analyzed in detail the three alternatives which would require the School District to incur long-term debt. For each alternative, we estimated a bond issue size and calculated the average annual debt service requirements. We then constructed a repayment schedule assuming equal annual payments over 20 years at a pro-forma interest rate for the General Obligation, Local Authority, and SPSBA Bond Issues. Bonds issued through either a local authority or the SPSBA would be classified as revenue bonds instead of general obligation bonds. Interest rates on revenue bonds are higher than interest rates that would be received on general obligation bonds. This would result in higher annual debt service payments for the School District. The General Obligation alternative offers the School District the advantage of lower interest rates, more favorable refunding provisions and keeps more control with the local school board. Based on these analyses and past performance, the least costly alternative for financing the Project is the General Obligation Issue.

The District is considering a variety of alternative debt service structures. For the purpose of this discussion, we have evaluated a 20-year level debt service bond issue. The millage impact for this is shown in Table 2.

**TABLE 2**

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**Millage Impact**

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	<b>20 Year Level Debt Service</b>	
<b>Incremental Annual Debt Service (FY2023-FY2024)</b>	\$	1,585,844
<b>Indirect Costs</b>	\$	-
<b>Total Costs</b>	\$	1,585,844
<b>Value of 1 Mill (2022-2023)</b>	\$	2,498,788
<b>Incremental Millage Impact</b>		0.635

**Commonwealth Reimbursement**

In the past the Commonwealth has reimbursed the School District for a portion of the principal and interest which the School District pays each year on the bonds. The amount of the reimbursement is determined by two factors, the percentage of the Project determined by the Department of Education to be reimbursable and the School District's Market Value Aid Ratio ("Aid Ratio"). It is estimated that the Project will be assigned \$4,821,109 in reimbursement. Based on a pro-forma calculation of reimbursement for a bond issue sized for this Project, the reimbursement percentage would be 21.42%. The School District's Aid Ratio percentage is

28.91%. When these two percentages are multiplied, the result is an "effective" reimbursable percentage of 6.19%.

The Commonwealth is undertaking significant changes to the way it reimburses School Districts for capital construction under its PLANCON process. The amount, timing and duration of capital construction cost reimbursement is subject to legislative and administrative process and as a result is subject to a degree of uncertainty.

The District is considering applying a lump sum reimbursement to reduce the size of the bond issue if that option is offered by the Commonwealth at or prior to the financing of the project. This will reduce annual debt service costs due to the reduction of the principal of the bond issue. Alternatively, the District may choose to pay debt service on bonds or redeem bonds in advance of their maturity if a lump sum reimbursement becomes available after closing on the bond financing.

### **Indirect Costs**

At the completion of this project it is not anticipated indirect costs will increase or decrease for this proposed project. It is not anticipated additional staff will be hired specifically related to the project. The project is planned to provide more appropriate square footage for education of students by current staff modernize aged facilities and meet current educational programs within the State College Area School District. Custodial staff and supplies are not anticipated to change substantially. Last, while the building is increasing in size it anticipated any additional energy costs will be offset with energy efficiency planned as part of the project.

### **Total Millage Impact**

Assuming a collected mill currently provides \$2.5 million annually, the indirect costs will have a millage impact of 0 mills per year. The millage equivalent of the debt service assuming a 20-year level debt service amortization is .6350 mills per year. The total millage impact is the sum of these two or .6350 mills per year.

## SOURCES AND USES OF FUNDS

### State College Area School District General Obligation Bonds, Series of 2024 (Mt. Nittany level)

**Sources:**

<hr/>	
Bond Proceeds:	
Par Amount	21,495,000.00
Premium	658,841.70
<hr/>	
	22,153,841.70
<hr/> <hr/>	

**Uses:**

<hr/>	
Project Fund Deposits:	
Project Fund	21,885,428.22
Cost of Issuance:	
Other Cost of Issuance	190,000.00
Delivery Date Expenses:	
Underwriter's Discount	75,232.50
Other Uses of Funds:	
Rounding	3,180.98
<hr/>	
	22,153,841.70
<hr/> <hr/>	



## BOND DEBT SERVICE

### State College Area School District General Obligation Bonds, Series of 2024 (Mt. Nittany level)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
06/30/2025			331,221.94	331,221.94
06/30/2026	700,000	5.000%	889,850.00	1,589,850.00
06/30/2027	730,000	5.000%	854,850.00	1,584,850.00
06/30/2028	770,000	5.000%	818,350.00	1,588,350.00
06/30/2029	805,000	5.000%	779,850.00	1,584,850.00
06/30/2030	850,000	4.000%	739,600.00	1,589,600.00
06/30/2031	880,000	4.000%	705,600.00	1,585,600.00
06/30/2032	915,000	4.000%	670,400.00	1,585,400.00
06/30/2033	955,000	4.000%	633,800.00	1,588,800.00
06/30/2034	990,000	4.000%	595,600.00	1,585,600.00
06/30/2035	1,030,000	4.000%	556,000.00	1,586,000.00
06/30/2036	1,075,000	4.000%	514,800.00	1,589,800.00
06/30/2037	1,115,000	4.000%	471,800.00	1,586,800.00
06/30/2038	1,160,000	4.000%	427,200.00	1,587,200.00
06/30/2039	1,205,000	4.000%	380,800.00	1,585,800.00
06/30/2040	1,255,000	4.000%	332,600.00	1,587,600.00
06/30/2041	1,305,000	4.000%	282,400.00	1,587,400.00
06/30/2042	1,355,000	4.000%	230,200.00	1,585,200.00
06/30/2043	1,410,000	4.000%	176,000.00	1,586,000.00
06/30/2044	1,465,000	4.000%	119,600.00	1,584,600.00
06/30/2045	1,525,000	4.000%	61,000.00	1,586,000.00
	21,495,000		10,571,521.94	32,066,521.94

### BOND SUMMARY STATISTICS

**State College Area School District  
General Obligation Bonds, Series of 2024 (Mt. Nittany level)**

Dated Date	12/01/2024
Delivery Date	12/01/2024
Last Maturity	04/15/2045
Arbitrage Yield	3.347842%
True Interest Cost (TIC)	3.750280%
Net Interest Cost (NIC)	3.810931%
All-In TIC	3.844001%
Average Coupon	4.033609%
Average Life (years)	12.193
Duration of Issue (years)	9.412
Par Amount	21,495,000.00
Bond Proceeds	22,153,841.70
Total Interest	10,571,521.94
Net Interest	9,987,912.74
Total Debt Service	32,066,521.94
Maximum Annual Debt Service	1,589,850.00
Average Annual Debt Service	1,574,031.62
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	3.500000
Total Underwriter's Discount	3.500000
Bid Price	102.715093

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>	<i>PV of 1 bp change</i>
Bond Component	21,495,000.00	103.065	4.03360931%	12.193	8,946.25
	21,495,000.00			12.193	8,946.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	21,495,000.00	21,495,000.00	21,495,000.00
+ Accrued Interest			
+ Premium (Discount)	658,841.70	658,841.70	658,841.70
- Underwriter's Discount	-75,232.50	-75,232.50	
- Cost of Issuance Expense		-190,000.00	
- Other Amounts			
Target Value	22,078,609.20	21,888,609.20	22,153,841.70
Target Date	12/01/2024	12/01/2024	12/01/2024
Yield	3.750280%	3.844001%	3.347842%

**PROJECT FUND**

**State College Area School District  
General Obligation Bonds, Series of 2024 (Mt. Nittany level)**

**Project Fund (PROJ)**

<i>Date</i>	<i>Deposit</i>	<i>Interest @ 3.3478416%</i>	<i>Principal</i>	<i>Scheduled Draws</i>	<i>Balance</i>
12/01/2024	21,885,428.22				21,885,428.22
12/15/2024		28,275.88	121,724.12	150,000.00	21,763,704.10
01/15/2025		60,298.66	270,510.67	330,809.33	21,493,193.43
02/15/2025		59,549.18	821,592.21	881,141.39	20,671,601.22
03/15/2025		57,272.87	1,779,688.18	1,836,961.05	18,891,913.04
04/15/2025		52,342.05	2,945,303.65	2,997,645.70	15,946,609.39
05/15/2025		44,181.78	3,785,067.45	3,829,249.23	12,161,541.94
06/15/2025		33,694.85	3,795,554.38	3,829,249.23	8,365,987.56
07/15/2025		23,178.86	2,829,466.84	2,852,645.70	5,536,520.72
08/15/2025		15,339.52	1,821,621.53	1,836,961.05	3,714,899.19
09/15/2025		10,292.52	870,848.87	881,141.39	2,844,050.32
10/15/2025		7,879.74	322,929.59	330,809.33	2,521,120.73
11/15/2025		6,985.03	414,185.84	421,170.87	2,106,934.89
12/15/2025		5,837.49	127,122.89	132,960.38	1,979,812.00
01/15/2026		5,485.28	1,979,812.00	1,985,297.28	
	21,885,428.22	410,613.71	21,885,428.22	22,296,041.93	

Yield To Receipt Date: 3.3478417%  
 Arbitrage Yield: 3.3478416%  
 Value of Positive Arbitrage: 0.01

## BOND PRICING

### State College Area School District General Obligation Bonds, Series of 2024 (Mt. Nittany level)

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>Yield to Maturity</i>
Bond Component:						
	04/15/2026	700,000	5.000%	3.220%	102.366	
	04/15/2027	730,000	5.000%	3.100%	104.309	
	04/15/2028	770,000	5.000%	3.080%	106.101	
	04/15/2029	805,000	5.000%	3.030%	108.006	
	04/15/2030	850,000	4.000%	3.030%	104.220 C	3.140%
	04/15/2031	880,000	4.000%	3.040%	104.175 C	3.268%
	04/15/2032	915,000	4.000%	3.040%	104.175 C	3.356%
	04/15/2033	955,000	4.000%	3.040%	104.175 C	3.422%
	04/15/2034	990,000	4.000%	3.050%	104.131 C	3.479%
	04/15/2035	1,030,000	4.000%	3.060%	104.086 C	3.526%
	04/15/2036	1,075,000	4.000%	3.110%	103.864 C	3.583%
	04/15/2037	1,115,000	4.000%	3.200%	103.465 C	3.649%
	04/15/2038	1,160,000	4.000%	3.260%	103.200 C	3.694%
	04/15/2039	1,205,000	4.000%	3.330%	102.891 C	3.738%
	04/15/2040	1,255,000	4.000%	3.450%	102.365 C	3.795%
	04/15/2041	1,305,000	4.000%	3.560%	101.886 C	3.843%
	04/15/2042	1,355,000	4.000%	3.660%	101.453 C	3.884%
	04/15/2043	1,410,000	4.000%	3.730%	101.150 C	3.911%
	04/15/2044	1,465,000	4.000%	3.790%	100.892 C	3.933%
	04/15/2045	1,525,000	4.000%	3.840%	100.678 C	3.951%
		21,495,000				

Dated Date	12/01/2024	
Delivery Date	12/01/2024	
First Coupon	04/15/2025	
Par Amount	21,495,000.00	
Premium	658,841.70	
Production	22,153,841.70	103.065093%
Underwriter's Discount	-75,232.50	-0.350000%
Purchase Price	22,078,609.20	102.715093%
Accrued Interest		
Net Proceeds	22,078,609.20	



# PUBLIC HEARING NOTICE

Please take notice that a public hearing will be held at the State College Area School District Board Room located at 240 Villa Crest Drive, State College, PA on Monday, September 30, 2024 at 6:00 p.m. for the purpose of reviewing all relevant matters relating to the construction and equipping of the proposed Additions and Renovations to the Mount Nittany Elementary School, (the "Project").

This public hearing is being held pursuant to the requirements of PA Public School Code of 1949, approved March 10, 1949, as amended and supplemented, including amendments made pursuant to Act 34 of the session of 1973 of the General Assembly.

A description of the Project, including facts relative to educational, physical, administrative, budgetary and fiscal matters of the Project, will be presented and will be available for consideration at this public hearing, and, beginning Tuesday, September 10, 2024, a description booklet will be available during business hours at the State College Area School District Administrative Offices located at the District Administration Building, 240 Villa Crest Drive, State College, PA.

The State College Area School Board, acting as operating agent of the Mount Nittany Elementary School, by resolution duly adopted has authorized the following maximum project costs in connection with the Project:

- **Maximum Building Construction Cost for New Additions Only** **\$ 14,323,511**  
(D20, Line C) (Structure Costs, Fees, Movable Fixtures/ Equipment)
- **Other Project Costs** **\$ 8,181,635**  
(Sitework, Renovations, Financing, A&E Fees, Contingency)
- **Maximum Project Cost** (page 16, D03, line I) **\$ 22,505,146**

Any and all interested parties may appear at and attend the public hearing and may be heard at such public hearing and / or may submit testimony to the District Administration Office until 12:00 noon on Monday, September 30, 2024. All testimony will be limited to five minutes per speaker. Additional testimony will be received from the floor at the hearing.

Public Comment will also be received in written format after the public hearing until 12:00 noon on Monday, October 30, 2024 at the State College Area District Administrative Offices (address listed above).