

Facilities and Technology Task Force

Discuss Board Feedback

December 3, 2015

Summary of Feedback

- Items from Interim Report:
 - ▣ Add buses back to the project list
 - ▣ Retain \$16,020,000 authorization from 2008 bond for future contingency
 - ▣ Remove all of the additional turf projects other than Clark East.
 - ▣ Consider hiring architect for comprehensive review of Williams High School Facility

- Additional items for consideration:
 - ▣ Construction of stand-alone pre-K facility
 - ▣ Construction of Centralized Fine Arts Venue



Items From Interim Report



Buses

- Recap: Task Force recommended taking out of bond program and funding via transfer of last years operating surplus
- Board is not necessarily against concept, but wants the funds (\$9,720,000) added back for now
- Will likely decide before bond election is ordered
- Cost to add back \$9,720,000



Utilization of \$16,020,000 from 2008 Authorization

- Recap: Task Force Recommended \$425M in projects to be funded with a new authorization of \$409M plus the \$16M authorized/unissued from 2008 contingent on bond counsel opinion
- Bond Counsel determined it was permissible as long as it was used on projects within the broad scope of the 2008 proposition
- Board had discussion about where funding would come from if a second elementary was needed, and other possible contingencies. Desire was to retain this authorization as a contingency.
- No impact on total project cost or financing scenarios



Turf Projects

- Recap: Task Force recommended seven (7) new turf projects in addition to the four (4) turf replacement projects.
- Athletics department initially only asked for Clark East.
- Board does not wish to include any new turf projects other than Clark East.
- Reduction in project cost - \$4,600,000



Williams High School

- Recap: Task Force recommended including \$4 million for Williams High School refurbishment
- Board agreed with recommendation, but also wants to have a comprehensive architectural study of renovations that could potentially result in:
 - ▣ Major renovation encompassing the entire campus, or
 - ▣ Recommendation to replace existing campus with new facility
- No impact on task force recommendation



Additional Items Referred for Consideration



Construction of Fourth Pre-K School

- Administration is considering expanding pre-K opportunities.
- PISD currently has 3 stand alone early childhood centers.
- Tentative plans for 2016-17 school year include adding classes in select campuses with excess capacity. Services for low socio-economic (“low s/e”) students only.
- State funds ½ day program.
- Large concentration of low s/e students in SW corner of District.
- Nearest school with available capacity is Huffman.
- Next nearest is Jackson. Jackson is >5 miles away.
- If Huffman capacity becomes unavailable, limited alternatives other than new construction.
- District owns site on Mapleshade, just east of Preston Road.
- Cost of new school is estimated at \$14,370,000 - \$21,285,000 depending on size (42-62,000 sq ft)
- Recommendation (from Administration and Board of Trustees)— Add \$21,285,000 to bond program to allow for possibility of fourth school.



Build Centralized Fine Arts Venue

Separate Presentation by Kathy Kuddes
Director of Fine Arts and Special Programs



Build Centralized Fine Arts Venue (continued)

- Difficulty in estimating cost
- Worked with Allen ISD facility architect for construction cost estimate and then applied Plano ISD model to arrive at total:
 - ▣ Today's construction cost estimated at \$350 /Sq Ft.
 - ▣ $127,500 \text{ sq ft} \times \$350 = \$44,625,000$
 - ▣ Program/Soft Cost - \$9,326,625
 - ▣ 3 years of inflation at 10% adds \$17,857,989
 - ▣ Furniture and Equipment - \$2,000,000
 - ▣ Land (if not donated) - \$5,000,000
 - ▣ Total - \$78,809,614
- Other district in metroplex budgeted less than half that amount for a 2,500 seat facility. They have not yet hired architect.



Build Centralized Fine Arts Venue (continued)

- Architect says that although the \$350/sq ft might be necessary to build a facility with the high level of finishes, acoustics and equipment in the Allen ISD facility, a lesser unit cost could still result in “...a facility that you would be proud of.”
- Using the same estimating model and including \$5 million for land, but changing the current cost per square foot yields the following estimated project totals:
 - ▣ \$350/sq ft - \$78,808,613
 - ▣ \$300/sq ft - \$68,551,097
 - ▣ \$275/sq ft - \$63,421,839
 - ▣ \$250/sq ft - \$58,292,581



Build Centralized Fine Arts Venue (continued)

- Board is asking task force to consider this project, receive input via the public hearing, and make recommendations back to the board.



Total for Purposes of Financing Models

Original Program Recommendation	\$425,165,000
Add back buses	9,720,000
Stand Alone Pre-K	21,285,000
Centralized Fine Arts Venue (\$300 sq ft model)	68,555,000
Total	<u>\$524,725,000</u>

Note: Financing models have not yet been reduced by removal of \$4.7 million in turf projects.



Debt Structure Models

- Three models
 1. Traditional
 2. Maintain rate at 26.9 cents next five years
 3. Debt Retired $>$ or $=$ Debt Issued



Assumptions Common to All Models

- Total debt of \$524,725,000 issued in five equal installments
- Interest rates at 11/24/15 market plus 0.75% for first sale, then adjusted upwards for future sales
- Tax base growth (2015 was 6.93%, 2014 was 6.67%)
 - 2016/17 - 5%
 - 2017/18 - 5%
 - 2018/19 - 4%
 - 2019/20 - 3%
 - 2020/21 - 3%



Interest Rate Assumptions

Year of Issuance	Model 1	Model 2	Model 3
2016	4.01%	3.73%	3.78%
2017	5.27%	5.04%	5.03%
2018	5.27%	5.05%	4.81%
2019	5.27%	5.04%	4.42%
2020	5.27%	4.88%	4.47%



Comparative Summary of Models

Payment Information

	Model 1	Model 2	Model 3
Total Payments (New Debt)	\$868,346,738	\$765,626,082	\$678,842,988
Final Maturity	2045	2040	2040
Total Interest	\$343,621,738	\$240,901,082	\$154,117,988
Interest as % of Total	39.6%	31.5%	22.7%
Total Payments/Principal	1.65	1.46	1.29



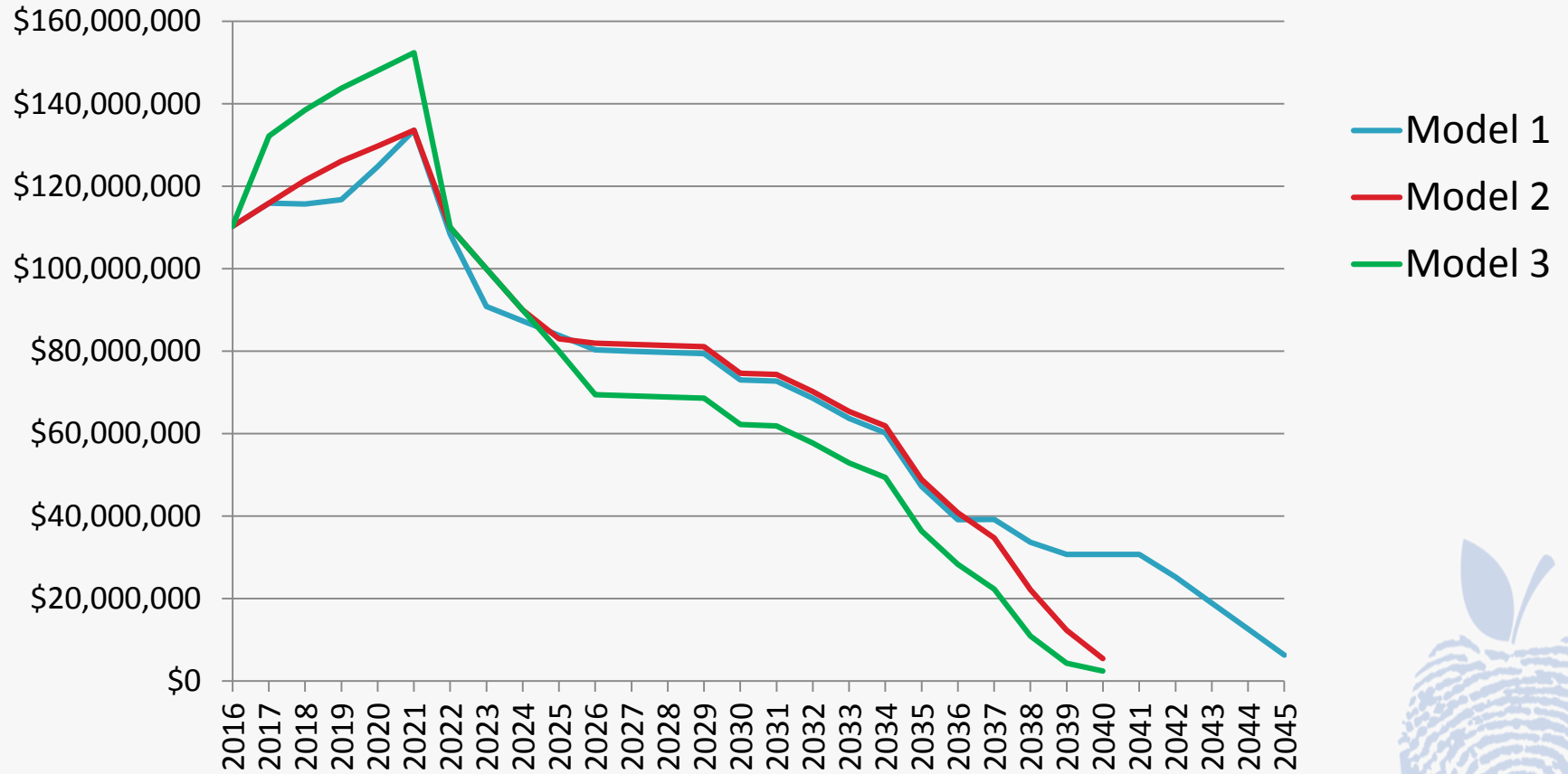
Comparative Summary of Models

Outstanding Debt Information

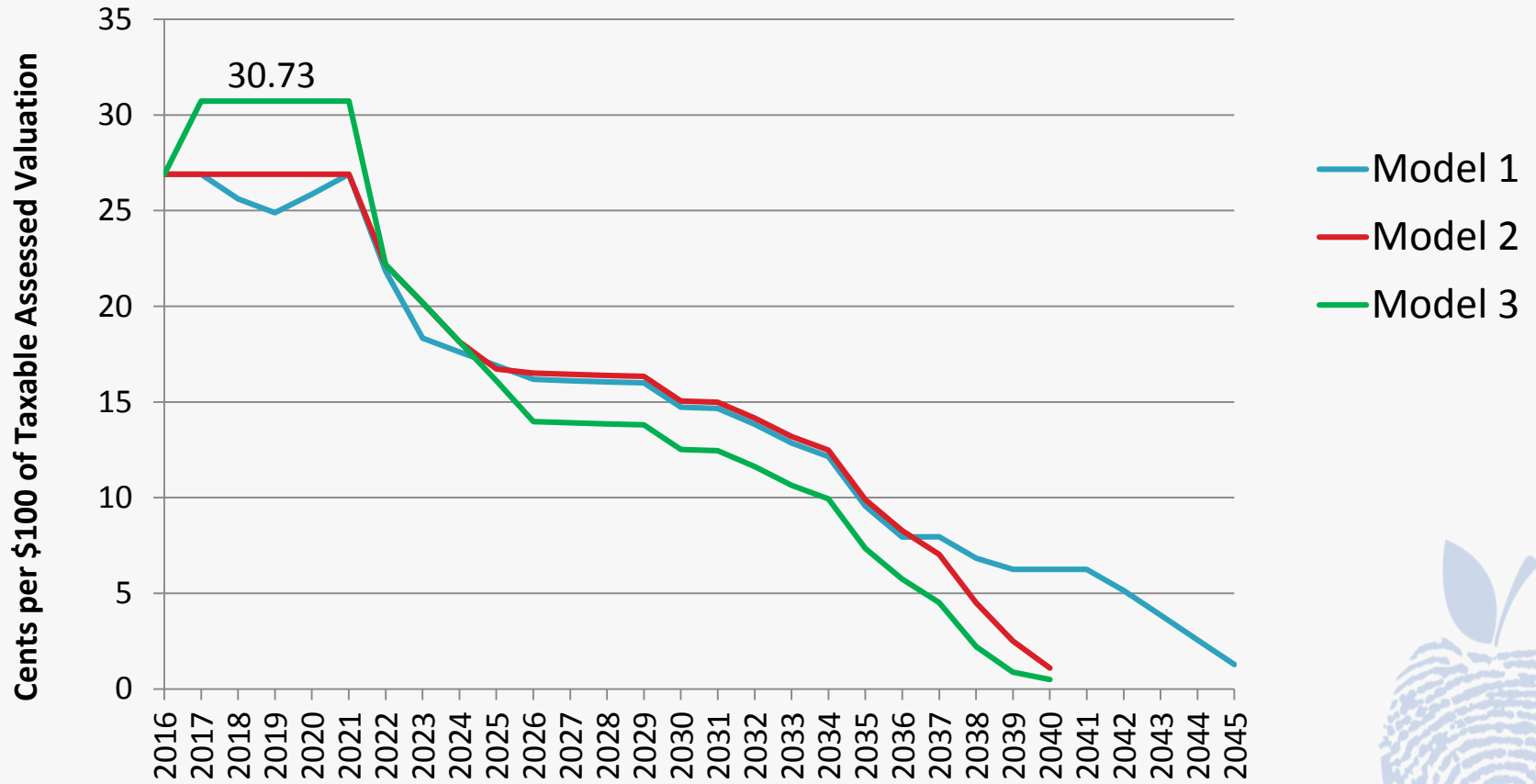
	Model 1	Model 2	Model 3
Total Bonds Outstanding @5/15/21	\$909,625,000	\$883,245,000	\$781,805,000
- Change from today	\$56,989,687	\$30,609,687	\$(70,830,313)
- Change from 5/15/16	\$127,595,000	\$101,215,000	\$(225,000)
Debt @ 5/15/21 as % of Taxable Property Value	1.85%	1.80%	1.59%



Annual Payments Comparison



Tax Rate Comparison



Next Steps

- December 17th – Public Hearing
 - January 7th – Task Force meets to discuss public input and finalize recommendations
 - January 12th – Task Force makes final recommendations to Board of Trustees
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- February 2nd – Board of Trustees considers calling election for May 2016



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