

Chardon Local Schools

SCHOOL FACILITIES PLANNING UPDATE

Revised: 11/9/18



BACKGROUND

The Chardon Local School District (CLSD) began discussions concerning possible replacement of school facilities in 2016. Meetings with the Ohio Facilities Construction Commission (OFCC) led to the following:

- Assessment of all CLSD instructional facilities by the OFCC. These assessments led to recommendations by the OFCC that the replacement of existing school facilities was more cost effective than renovation based on overall needs identified in each building.
- Completion of updated enrollment projections for CLSD indicating a continuing decline in enrollment, with the projection of a 10 percent reduction in enrollment by 2026.
- Formulation of the district's Facilities Advisory Committee (FAC) comprised of parents, community leaders, Board of Education members, educators, and school design professionals to begin evaluating options for the school district.
- Evaluation of the OFCC's Equity Ranking List which determines both the timing of eligibility for the Classroom Facilities Assistance Program (CFAP) and the amount of State funds offered to the district. It was determined, based on the district's equity ranking, that CLSD will be eligible for an approximate 9 percent state share for eligible co-funded expenditures. Further, it is estimated that CLSD will become eligible for CFAP (state funding) in 2026.
- A decision to participate in the OFCC's Expedited Local Partnership Program. Under ELPP, qualifying school construction expenditures made prior to CFAP eligibility (state funding) will then be accurately credited to the school district.
- Development of a conceptual Master Plan (MP) for CLSD completed collaboratively with the OFCC, design professionals, and CLSD (through the FAC). This MP recommends the following:
 - Construction of a new PK-5 facility.
 - Construction of a new 6-12 facility.
 - Consideration of the following Locally-funded Initiatives (LFI):
 - Construction of a 700-seat Performing Arts Auditorium.

- Construction of a new Transportation Compound (assuming relocation of the current facility from the CHS site).
- Renovations to the existing football stadium and track complex, as well as construction of additional baseball and softball fields; or,
- Construction of a new football stadium and track complex, as well as construction of additional baseball and softball fields. This option would be considered if the current athletic facility sites were needed to complete the PK-5 / 6-12 academic plan as described above.

During this planning process, the FAC also carefully considered that the school district was facing a serious reduction in general operating funds due to school funding cuts by the Ohio Legislature. As a result, in May 2017, the FAC recommended to the Board of Education that the primary focus should remain on stabilizing the operating budget for the school district and tabling further discussion of master planning and new facilities construction until a later time. The district successfully passed a 3.9 mill operating levy in May 2018 and returned to consideration of new school facilities.

CURRENT PROJECT STATUS

The FAC was reconvened in July 2018 and has continued to meet to consider new school facilities for the district. From the time committee work resumed to the present, the following has been completed:

- Updated district MP to reflect current trends in school construction costs.
- Requested the OFCC to update the district's enrollment projection.
- Site visitation to the North Olmsted City Schools to observe first-hand a 6-12 facility design and operation.
- Approved a survey of registered voters to evaluate receptivity to a school construction project in the district. This survey will be completed by Fallon Research between November 2018 and January 2019.
- Reviewed all elements of the district's school construction project to date at two Board of Education work sessions including:
 - Overview of the district's MP.
 - Project funding options including state funds, a new bond issue, and possible use of the district's existing Permanent Improvement Fund to provide partial funding.
 - Consideration of a possible May or November 2019 ballot issue.
 - Project timing and site considerations.

PROJECT SEQUENCING

Given the time lag before the district becomes eligible for CFAP (state funds), it is likely that the MP would be broken into at least two distinct phases. Each phase would consist of either the PK-5 or 6-12 facility and the associated LFI projects necessary to complete the project. Again, the results of the community survey, as well as other factors, will be considered to determine the projects included in each phase.

PROJECT FUNDING

As indicated above, school construction funding specialists have been working closely with the district to develop a realistic project funding model. The chart on the following page shows each of the project components considered by the FAC at this time. In addition, project estimates, millage rates for a 37-year Unlimited Tax General Obligation School Improvement Bond (bond issue), and taxpayer impact per \$100,000 of property market valuation.

The construction sector is experiencing significant cost increases due to limited availability of workforce to match demand and increases in material costs. It is important to note that the projections on the following page represent estimates using 2019 cost models. It is likely that construction costs will continue to increase and, therefore, impact future project estimates.

Cost projections shown below were developed so that different projects could be combined to develop a general estimated cost. For example, it would be reasonable to combine the PK-5 building and LFI - Athletics Plan A, resulting in an estimated millage rate of 3.26 mills and monthly taxpayer impact of approximately \$9.50 per month (\$114.10 annually) per \$100,000 in market valuation.

NEXT STEPS

Based, in part, on information gathered through the community survey, as well as site planning and project scheduling information, the FAC will consider a recommendation to the Board of Education regarding the timing of a possible school facilities bond issue. The final decision to place a bond issue before the community rests with the Board of Education. In order to meet deadlines for filing for the May 2019 election, the Board of Education would need to act in January 2019 at the latest. Likewise, if a November 2019 ballot issue is recommended, action would need to occur by July 2019.



MASTER PLAN FUNDING ESTIMATES

(Based on 2019 anticipated construction costs)

Updated: November 9, 2018



PROJECT DESCRIPTION	FUNDED AMOUNT (Rounded to \$1MM)	ESTIMATED MILLAGE	<u>ANNUAL</u> COST/\$100K MARKET VALUATION	<u>MONTHLY</u> COST/\$100K MARKET VALUATION
<ul style="list-style-type: none"> ● PK-5 Base Building ● Associated ES Abatement & Demolition 	\$34 MM	2.83	\$99.05	\$8.25
<ul style="list-style-type: none"> ● 6-12 Base Building ● Associated MS/HS Abatement & Demolition 	\$67 MM	5.52	\$192.50	\$16.04
<ul style="list-style-type: none"> ● LFI - New Auditorium ● LFI - New Transportation Compound 	\$9 MM	0.75	\$26.25	\$2.19
<ul style="list-style-type: none"> ● State Share Credit <p>(Note: It is projected that the district will not be eligible for CFAP State credit until 2026.)</p>	(\$9 MM)	(0.75)	(\$26.25)	(\$2.19)
<p><u>LFI - ATHLETICS OPTION A</u></p> <ul style="list-style-type: none"> ● Existing Stadium Improvements ● Baseball/Softball Fields ● New Field House <p>(Options A and B are mutually exclusive. Only one would be pursued depending on final site plans for the academic spaces.)</p>	\$5.0 MM	0.43	\$15.05	\$1.25
<p><u>LFI - ATHLETICS OPTION B</u></p> <ul style="list-style-type: none"> ● New Stadium ● Associated Site Costs <p>(This option only if we decide that it is better to site school facilities on the existing stadium/track property.)</p>	\$7 MM	0.56	\$19.60	\$1.63
<ul style="list-style-type: none"> ● Stand Alone Costs for Auditorium <u>OR</u> Transportation Compound <p>(This is provided for information purposes only. Not additional cost as it is already included above.)</p>	\$5 MM	0.37	\$12.95	\$1.08