



CAPITAL CONSTRUCTION FINANCIAL OVERVIEW

April 10, 2018

CURRENT BOND FINANCIAL STATUS

In millions

2017 -18 Activity	
Beginning balance from 2012 Bond	\$117
Bond issue from 2012 ballot	62
2017 Bond Issue	347
Premium/income	13
	<hr/>
	539
Spending projection	(63)
Ending balance 6/30/18	<hr/>
	476
2018-19 Activity	
Income	3
Spending projection	(185)
Ending balance 6/30/19	<hr/>
	294
Remaining issuance authority	<hr/>
	443
Total available to finish program	\$737

- Beginning of eight year plan
- Not a cash problem

2012 BOND

Nearing completion - remaining projects:

- Finish Grant HS

- Maker Space at Roosevelt

Schools larger than original specifications

- Increased capacity

- More classrooms for full time classload

Roosevelt Maker Space added to project (\$5 million for space)

Currently forecast to cost \$0-\$10 million over funds
available from 2012 authority

MIDDLE SCHOOL IMPLEMENTATION/TRANSITION

REVISED UNFUNDED COSTS (millions)

Tubman	\$5.8
Roseway Heights	0.2
Rose City Park	1.9
Holladay/Youngson	0.7
Contingency	2.5
Design/soft costs to date	0.8
Total construction	<hr/> 11.9
Owner costs	1.4
	<hr/> 13.3
Fundable from bond Health & Safety	-1.9
Total unfunded costs	<hr/> \$11.4

*Does not include any costs of transitioning ACCESS

2017 BOND

in millions

	PROJECTED COSTS		
	Original scope For ballot	Current	Local School Reconciliation
Middle School			
Kellogg (Fall 21)	45	58	47
High Schools			
Madison (Fall 21)	146	186	172
Lincoln (Fall 22)	187	218	196
Benson (Fall 23)	202	254	254
Total Buildings	580	716	669
Total Health & Safety	at least 150	150	150
Program Contingency	20	20	20
Management	40	40	40
TOTAL	790	926	879
Needed reconciliation		(136)	(89)

- [Clarifications by Erik Gerding 4-12-18 for the LHS DAG:](#)
- - **Original Budget for Ballot: \$187M**- Not a recommendation from OSM but a result of the process of forming the Bond measure for the ballot.
- - **Current Project Cost: \$218M**- Based on Master Planning, Due Diligence Phase, and final Programming for the current Lincoln program.
- - **Local School Reconciliation: \$196M**- [Not approved by PPS](#) nor reviewed by District Academic Leadership. This scope reduction has not been determined to be a fully functioning school able to deliver the Lincoln curriculum. This number is based on an iterative process of reductions to get the project closer to budget. It effectively reduces student enrollment capacity by 8% from the Education Specifications target design enrollment of 1700 students. Lincoln currently has 1742 students.

BUILDING PROCESS STATUS

KELLOGG

- Board approved master plan at original scope.
- Later analysis showed costs were much higher
- Internal group including educational leader reduced scope to get cost down
 - Some efficiencies
 - Smaller classrooms, no breakout rooms
 - Removed small fourth floor
- Must bring revised master plan back for board approval

MADISON

- Internal group met and reduced costs to "bare minimum" \$172 million
 - Removes all field improvements
 - Removes 4 classrooms, 2 labs, 4 collaboration spaces
 - Smaller classrooms, science labs
- Waiting for direction on budget. Will then submit master plan to Board
- Can meet Fall 21 opening date if decision made by mid-May and scope changes not too large

LINCOLN

- Internal group met and reduced costs to \$196 million **Misleading. See notes above**
- Still working on reductions. **Not accurate**
- Decision needed by mid-May **Project remains on schedule assuming June 1st restart.**

BENSON

- No group meeting as yet

OPTIONS

MIDDLE SCHOOL IMPLEMENTATION/TRANSITION

- Include all unfunded construction costs in bond funding.
- Charge non-bond funded items to construction excise tax
 - Barely fits – can handle about \$12 million
 - Allows \$3 million per year for rest of schools in addition to Health and Safety bond and \$1 million General Fund transfer
 - Requires postponing/repealing dedication to capital asset renewal
- Borrow money and repay from General Fund
 - Debt service about \$1 million per year on 15 year loan @4%.
 - Could declare intent to refund from next voter approval

2012 BOND

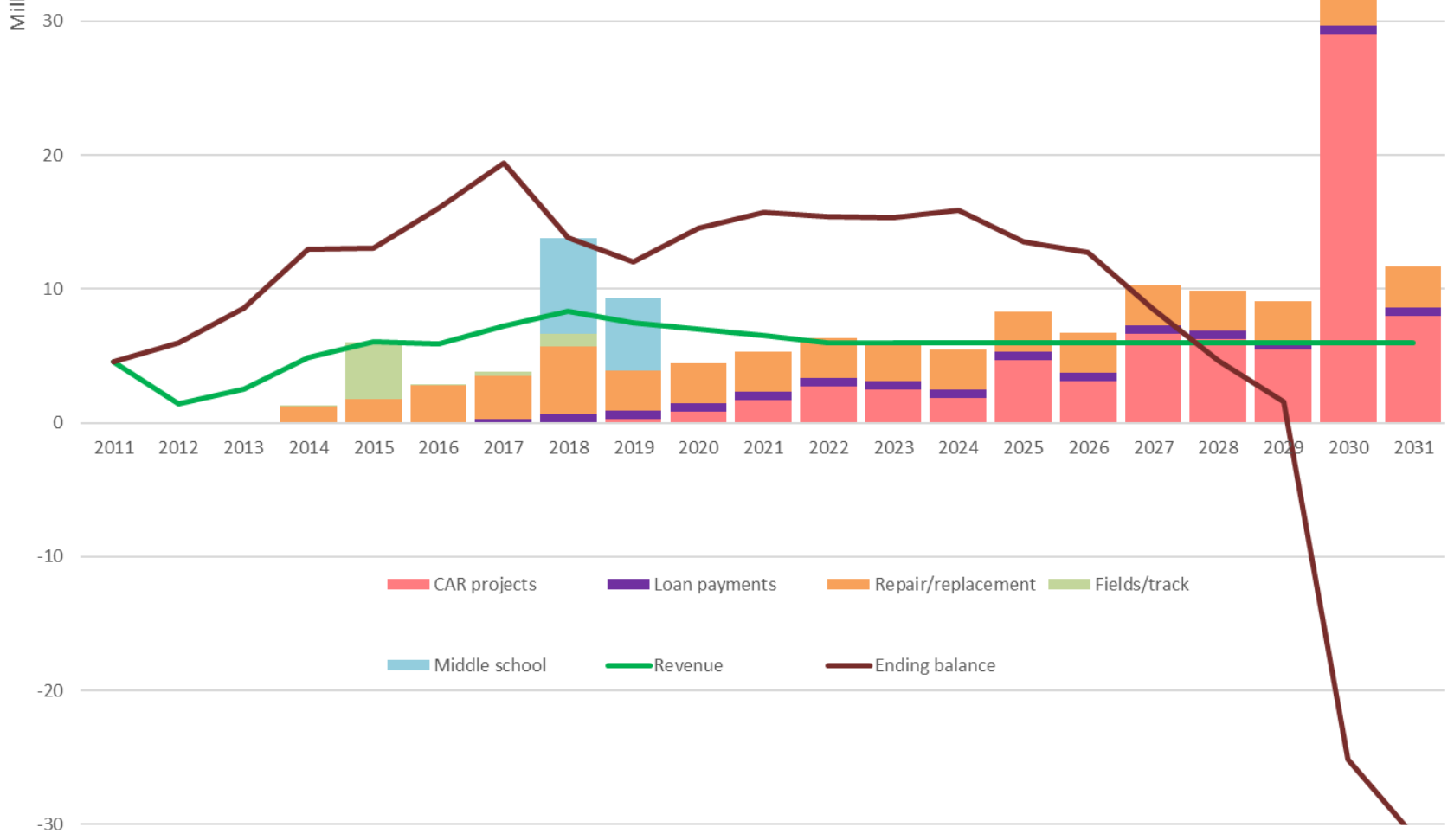
- Include all unfunded construction costs in bond funding.
- Charge non-bond funded items to construction excise tax
 - Probably won't fit if this solution used for middle school implementation
- Borrow money and repay from General Fund or CET
 - Could declare intent to refund from next voter approval

BOND OPTIONS

- Kellogg - consider revised master plan when it is ready
- High schools
 - Set timelines for high school building master plan approval
 - Continue the local process of analyzing/removing costs based on the timelines
 - Establish district reconciliation process to ensure equity across all high schools
 - Budget options
 - Go forward with reduced costs/scope
 - Do buildings in phases, fund second phase from next voter approval
 - Raise more money - some will come from structure of next bond issue and interest earnings
 - Borrow to complete projects, refund with next voter approval

CONSTRUCTION EXCISE TAX before \$11.4 million

Millions



CONSTRUCTION EXCISE TAX after \$11.4 million

Millions

