

WCPSS Capital Update

May 14, 2018

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WCPSS update of 7-year Capital Plan

- WCPSS has completed the cost updated for their capital plan
- Joint Facilities Team has reviewed the information
- The following slides are excerpts of WCPSS presentations to the Board of Education's Facility Committee to highlight the major changes

Cost Model Analysis

- The current Cost Model was last set in 2016 (using 2015 data). For 2017 & 2018, FD&C used the 2016 values including the inflation calculations.
- Cumming's Cost Team took a fresh look at the Cost Model to determine accurate 2018 values. Cumming evaluated the following elements:
 - Schools That Bid In 2016 & 2017
 - Actual Building Costs
 - Quarterly Inflation Rates
 - Adjustments For Unique Factors
 - Bid Sequencing
 - Guidelines & Space Standards
 - Local Market Conditions
 - Commodity & Economic Indicators
 - Program Changes

Building Cost Model Comparisons

	WCPSS - Facility Construction & Design Estimates		Cumming Estimate	
School Type	2016 Values	2018 Values w/ Inflation	2018 Values	Delta
Elementary	\$151.24	\$165.16	\$174.10	\$8.94
Middle	\$154.84	\$169.09	\$174.37	\$5.28
High	\$151.25	\$165.18	\$172.58	\$7.40

- Recent Bids: Parkside - \$172.54. North Ridge - \$177.48*
- Evaluated Four Regional School Systems: \$179 - \$193

Site Cost Model Comparisons

- Site Costs were last set as part of the 2016 Cost Model. Comparison of site costs from 2016 Cost Model to present 2018 Cost Model is as follows.
- Cost Comparison per acre in 2018 dollars:

	WCPSS - Site Estimates		Cumming Estimate	
School Type	2016 Values	2018 Values w/ Inflation	2018 Values	Delta
Elementary (20 acres)	\$303,725	\$374,220	\$361,794	(\$12,426) / (\$248,520)
Middle (30 acres)	\$306,505	\$377,615	\$367,270	(\$10,345) / (\$310,350)
High (64 acres)	\$274,508	\$332,154	\$338,241	\$6,087 / \$389,544

Cost Model Program Additions

	Potential Program Changes Add		
School Type	Program Additions	Adds	Total Cost / SF
Elementary	Terrazzo in all corridors and lobbies on ground floor, 100kw generator, 4 additional classrooms.	\$4.42	\$178.52
Middle	Terrazzo add in all corridors and lobbies on ground floor, 100kw generator.	\$2.14	\$176.51
High	Terrazzo add in all corridors and lobbies on ground floor, 100kw generator, transportation suite, restroom at ball	\$2.02	\$174.60
High (Site)	Irrigation of practice fields, bleachers at baseball and softball fields, increased stadium standards to 4A.	\$10,900/ac	N/A

Cost Model Recap – Escalation Update

	2019	2020	2021	2022	2023	2024	2025
<u>Building</u>							
Original	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	
Revised	5.5%	4.5%	4.5%	3.5%	3.5%	3.5%	3.5%
<i>Delta</i>	1.5%	1.0%	1.0%	0	0	0	n/a
<u>Site</u>							
Original	10.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Revised	12.0%	11.0%	11.0%	7.0%	7.0%	7.0%	7.0%
<i>Delta</i>	2.0%	4.0%	4.0%	0	0	0	n/a
<u>FF&E</u>							
Original	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Revised	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<i>Delta</i>	0	0	0	0	0	0	n/a

Cost Model Recap – Cost Update

	Building Cost Correction per square foot	Program Adds	Site Cost Correction per Acre	Public Infrastructure Correction	New School Cost in 2018 dollars
Elementary <i>Large</i>	\$174.10	\$178.52	\$361,794	\$3,597,481	\$41,462,570
Middle <i>Large</i>	\$174.37	\$176.51	\$367,270	\$4,376,926	\$65,798,841
High <i>Large</i>	\$172.58	\$174.60	\$338,241	\$5,762,666	\$115,146,474

- Recent Bids: Parkside - \$172.54. North Ridge - \$177.48*

Same programming with updated costs far exceeded County's debt capacity

- When presented to Core Team, the original program with the cost corrections exceeded the County's **total maximum** debt capacity
- County staff communicated the need for WCPSS to consider revisions to the plan to stay within the overall amounts of the previous cost estimates
- WCPSS went back to work and developed two additional scenarios

7-yr Continuous CIP

Two CIP Models

1. Revised Baseline
 2. Referendum Adjustment
- Similarities: Capacity & Growth, Schedule Adjustment
 - Differences: Cost, Schedule Adjustments, County Funding

7-yr Continuous CIP Comparisons

Similarities Between Program: Revised Baseline & Referendum Adjustment

- Schedule Adjustment
 - West Millbrook Middle Advances: 2023 to 2022
 - H-15 Delays: 2021 to 2025
 - New Elementary School Added (opening in 2024)
 - H-11 Delays: 2024 to 2025
 - M-12 Delays: 2024 to 2026
 - M-xx2 Reno Delays: 2026 to 2028 **Construction Funding lands outside 7-yr Plan*

7-yr Continuous CIP Comparisons

Differences in Programs: Revised Baseline & Referendum Adjustments

- Schedule Adjustments

- Revised Baseline

- Advance E-51 Elementary

- Referendum Adjustment

- Delay Fuller Elementary Renovation 1 year

- Delay Swift Creek Elementary Renovation 1 year

- Cost

	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	Total	FY Avg.
Original	\$ 338.1	\$ 307.5	\$ 318.6	\$ 302.4	\$ 346.5	\$ 322.9	\$ 310.4	2.246	\$ 320.9
Revised Baseline	\$ 332.9	\$ 337.6	\$ 404.2	\$ 311.2	\$ 296.9	\$ 477.5	\$ 269.0	2.429	\$ 347.0
Referendum Adjustment	\$ 330.8	\$ 307.6	\$ 343.0	\$ 408.7	\$ 303.2	\$ 473.5	\$ 273.4	2.440	\$ 348.6

Both new options present challenges

- Under both new options, amounts for years FY22 and beyond do not comply with County debt policies
- For FY20 and FY21, only the Referendum Adjustment amount can be accommodated.
- At the Board of Education Facilities Committee, Board members requested additional follow-up that could further revise the program estimates in the short and long-term
- WCPSS staff shared that with the cost corrections in place, the next step will be to begin working on approaches that could have a favorable impact on the overall cost of the program

County staff position on cost update....

- The cost corrections are reasonable and are important for improving the long-term cost accuracy of the program
- Amounts FY22 and beyond will required modifications to achieve the County's debt and capital policies and guidelines
- The FY20 and FY21 Referendum Adjustment amounts can be accomplished within our policies, but carries a slightly higher tax increase

Update of Debt and Capital follows.....

Questions??