



Planning for a Future Bond/Capital Levy (part II)

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June 22, 2022

AGENDA

- Review Bond/Levy Package Development
- Priority Projects
- RHS Details & Options
- Composition Recommendations
- Financing
- Timing
- Board Direction/Next Steps



BOARD DIRECTION REQUESTED

Priority areas :

- Do you prefer that the safety, security, seismic (+S₃), HVAC projects are foundational to any capital levy/bond program?

Renton High School location: Do you prefer us to plan for:

- A new location (requires a reserve for land)?
- Rebuild on current site (requires a reserve for portables/land/archeological)?

Scope/Composition: +S₃ Projects AND...?

- Do you prefer RHS and/or DMS/NMS?

Timing:

- Do you want to refer a referendum question to voters in November 2022? A later date?

Financing Vehicle:

- Do you prefer a Capital Levy (Pay as you go) or Capital Bond (Term financing)?

Assessed Valuation assumption:

- Do you prefer a more historical approach or a less conservative treatment?

Other considerations:

- Are there other matters you would like staff to develop for your consideration?

BOND PACKAGE DEVELOPMENT

How did we get here?

- 2019 Bond program is approximately 60% obligated/underway
- Annual capital facilities plan (CFP) submission
- Ongoing facilities assessments, work order history, technical assessments by staff
- Recognizing site constraints at RHS...Looking for Land
- Responding to the COVID-19 pandemic and the priority for HVAC upgrades, environmental controls
- Continued improvements to school safety/security
- Citizens Facilities Advisory Committee work

TOP PRIORITIES FOR NEXT BOND



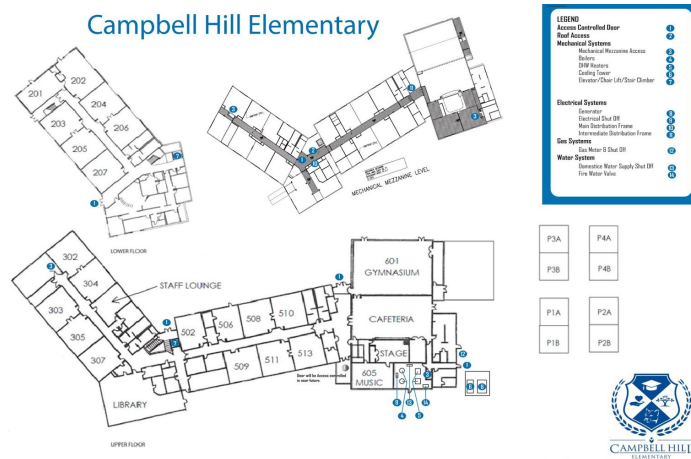
Staff Recommendations:

1. Continue to improve district-wide safety/security
2. Update seismic structural systems in older buildings
3. Provide a new high school facility for the Renton High School area, which allows for modern learning environments and equitable athletic opportunities
4. Replace our oldest middle schools (Dimmitt & Nelsen) with modern school facilities and updated site layouts
5. Continue updating HVAC systems with 25+ years of service life
6. Identify ~40 acres for a future high school site

ESTABLISHING BUILDING NEEDS

Types of Data Reviewed:

- Annual OSPI/ICOS updates
- Building Inventory & Asset Essentials
 - Building age (50+ years)
 - Service life of components (20-30 years)
 - Maintenance needs
- Maintenance walkthroughs
- Review previous CFAC project lists & priorities
- Seismic condition report
- Review of needs with School & Support Services Leadership
- Candidate Project process
- Capital Facilities Plan
 - Includes six-year outlook



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JANUARY 2022
22-090

School Facilities and Organization
INFORMATION AND CONDITION OF SCHOOLS
Asset Preservation Program Annual Board Report (Renton School District)

-----2020-2021-----

SITE	BUILDING	BUILDING BOARD ACCEPTANCE DATE	APP YEAR	BUILDING CONDITION ASSESSMENT %	ANNUAL REVIEW COMPLETED BY	NEXT CERTIFIED BCA DUE
Hazelwood Elementary School	Main Building	8/9/2006	14	85.51	District	2024
McKridge Middle School	Main Building	5/13/1998	22	79.34	District	2024
Lakeridge Elementary School	Main Building	12/13/1995	25	85.93	District	2024
Highlands Elementary School	Main Building	4/10/2004	16	83.25	District	2024
Tiffany Park Elementary School	Main Building	10/24/2001	19	82.22	District	2024
Campbell Hill Elementary School	Main Building	2/9/2005	16	81.38	District	2024
Kennydale Elementary School	Main Building	5/9/2007	13	83.52	District	2024
Renton Park Elementary School	Main Building	2/11/2008	13	80.82	District	2024
Cascade Elementary School	Main Building	3/21/1996	25	86.21	District	2024
Maplewood Heights Elementary School	Main Building	6/24/1998	22	84.67	District	2024
Bryn Mawr Elementary School	Main Building	1/10/1996	25	87.74	District	2024
Benson Hill Elementary School	Main Building	2/1/2007	14	84.23	District	2024
Talbot Hill Elementary School	Main Building	10/28/1998	22	83.77	District	2024
Vera Riston Middle School - New MS #4	Main	10/30/2018	2	88.45	District	2024

SAFETY/SECURITY/SEISMIC (+S3) OTHER ESSENTIAL UPDATES



<u>Project Description</u>	<u>Capital Program</u>	<u>\$ Value</u>
<u>Proposed Safety/Security/Seismic (+S3)/Other Essential Projects (Priorities 1, 2, 5)</u>	2024 through 2030	
Interior Door Hardware/Lock Updates	2024 through 2030	\$7 M
Sierra Heights ES Front Entry & Admin Office Remodel	2024 through 2030	\$10 M
New Key System	2024 through 2030	\$2 M
Main Entry Video Intercoms	2024 through 2030	\$3 M
District Wide Seismic System Updates	2024 through 2030	\$28.4 M
District Wide Mechanical/Plumbing/HVAC Upgrades	2024 through 2030	\$20.4 M
District Wide Roof Updates (Four Elementary Schools)	2024 through 2030	\$12.1 M
Lindbergh HVAC Updates – Phase II (Cooling)	2026/27	\$26 M
Hazen Updates (Roof/Seismic/HVAC)	2026/27	<u>\$73.2 M</u>
	Subtotal	182.10 M
Overhead (3.5%) & Contingency (5%)		<u>15.47 M</u>
	TOTAL	197.57 M

ESTIMATED COST (updated): PROPOSED BOND PROJECTS



<u>Project Location/Description</u>	<u>Proposed Year of Construction*</u>	<u>Anticipated Final Project Cost</u>
Safety/Security/Seismic (+S3), HVAC Projects (Priorities 1, 2, 5)	2024 through 2030	\$182 M
New High School (Alternate Location) (Priority 3). Includes \$120 M for Land (Priority 6)	2025/26	\$441 M
Replacement High School (Same site) (Priority 3) Includes \$115 M for property/archeological/portable reserve.	2026/27	\$568 M
Replacement Middle School (Dimmitt) (Priority 4) (Portable costs not included)	2027/28	\$175 M
Replacement Middle School (Nelsen) (Priority 4)	2029/30	\$175 M
Reserved for Property Acquisition/Archeological Requirements (Priority 6). Must be included for RHS options (Priority 3).	2023	\$115-\$130 M
Overheads (3.5%) & Contingency (5%)	2024 through 2030	<u>+ varies per bond package</u>

* - Proposed year of construction is utilized to establish cost escalation year, not project completion

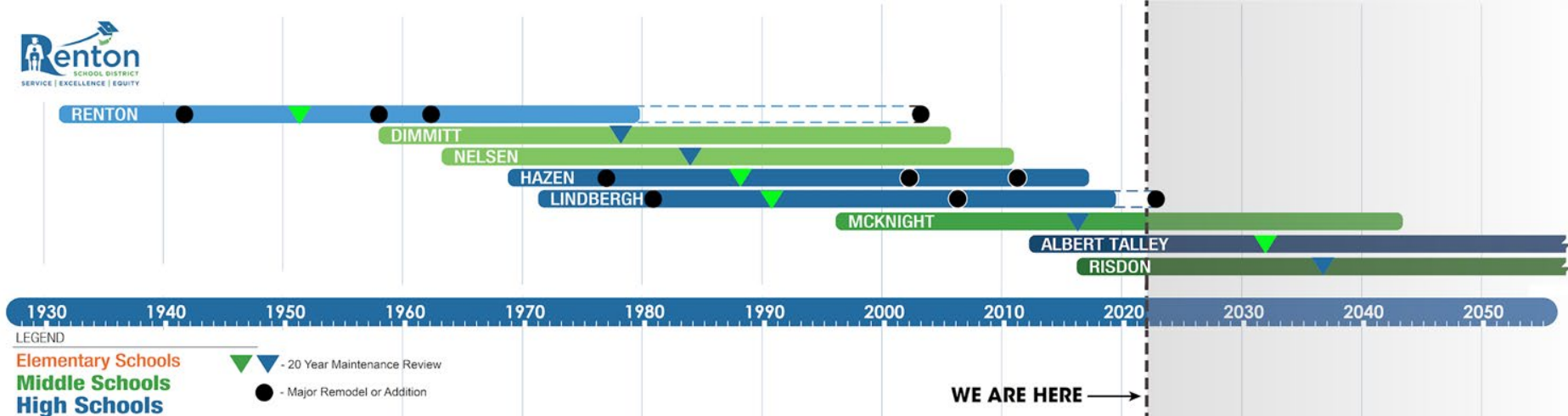
CONSIDERATIONS FOR CURRENT PROJECT COST ESTIMATES

- Construction cost escalation is assumed at 6% per year (2023 through 2030)
- Current K-12 construction costs (2022 value) are approximately \$615 per square foot (includes new building and site work)
- Our proposed new high school project includes remodel work, lowering our estimated cost to \$550 per square foot in 2022
- Projects identified as “2024 through 2030” are estimated utilizing 2027 estimates, to provide an average escalation amount

FUTURE PLANNING PRIORITIES SECONDARY SCHOOLS

High Schools & Middle Schools:

- Middle Schools have typically been built all at once or with small additions/renovations
- High Schools are have had multiple additions and major renovations over the years

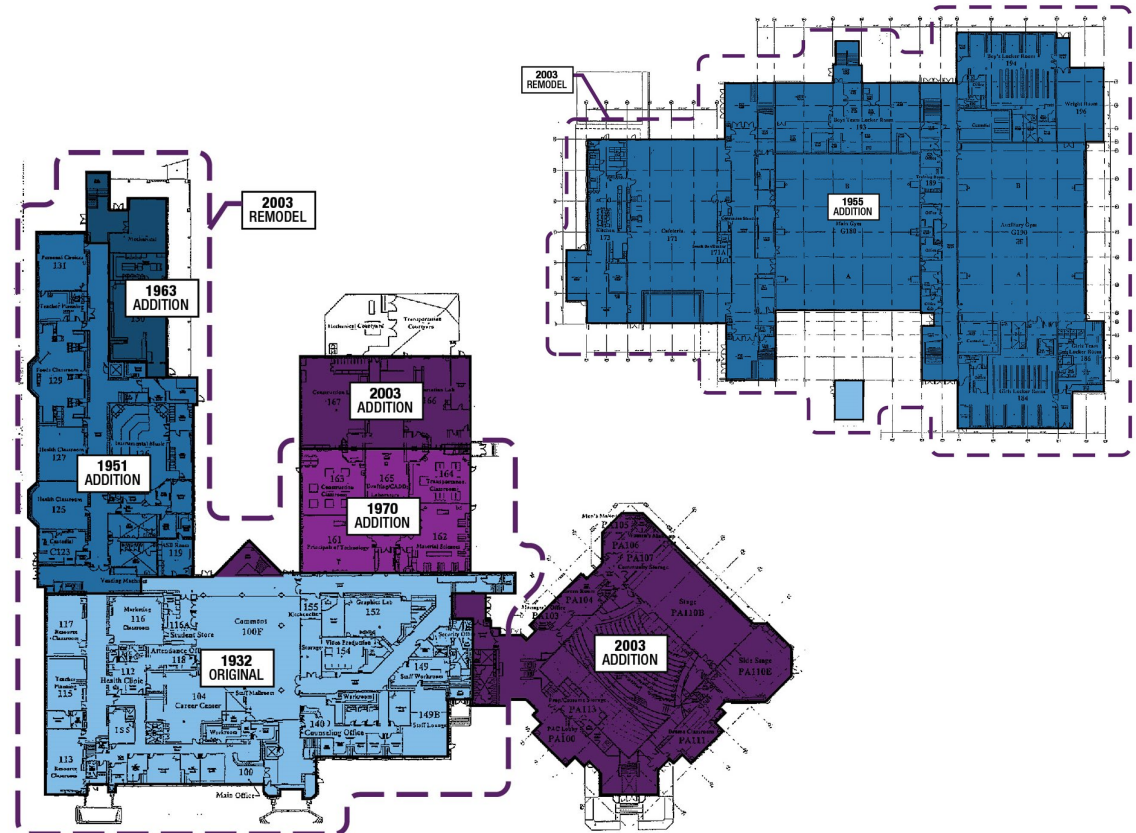


FUTURE PLANNING PRIORITIES

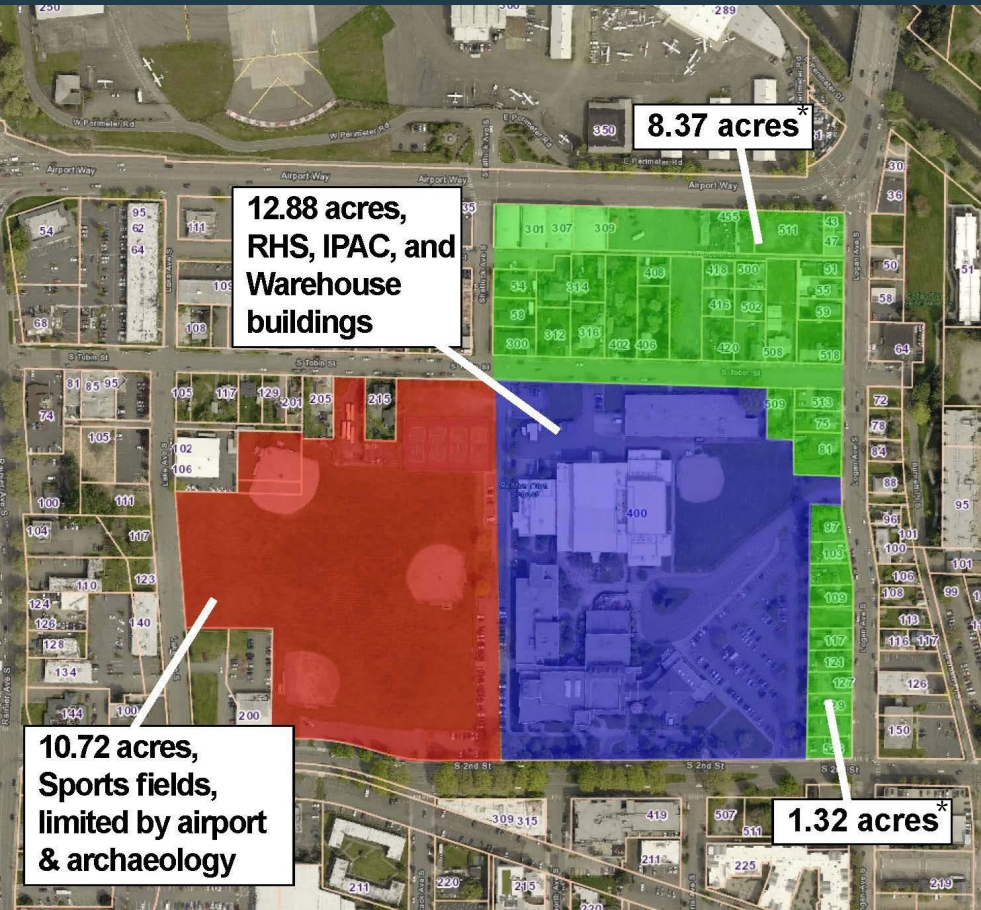
RENTON HIGH SCHOOL

Renton High School Construction Dates:

- 1932 – Main Building, South Area
- 1951 – Main Building, West Classroom Wing
- 1955 – Gym Building
- 1963 – Main Building, Northwest Classrooms
- 1970 – Main Building, Northeast Classrooms
- 2003 – IPAC + school remodel



CFAC DISCUSSION RENTON HIGH SCHOOL



Renton HS CFAC Comments:

- Classrooms feel isolated and outdated
- Main entry is hard to find and safety/security concerns exist between front desk and entry doors
- Poor Natural Lighting
 - Interior classrooms with no windows
 - Glass block in classrooms with no shades
- Limitations on updates to athletic fields
 - Archaeological Concerns
 - FAA Limitations
- Building multi-level layout feels awkward
- Site is smaller than other high schools in the area
 - Renton HS - 23.6 acres
 - Hazen HS - 33.3 acres
 - Lindbergh HS - 37.2 acres

Additional Staff Comments:

- Program inequities: athletics fields, pool, etc.
- Deteriorating infrastructure (e.g., plumbing, electrical)

* - Green area of map represents additional property required for 33 acres (equivalent to Hazen HS site). Renton SD is not currently considering these properties for purchase.

2022 COST COMPARISONS

CURRENT RHS SITE



New School at current Renton High School site:
Demolish the majority of the existing Renton HS building and build a New School on the current site

- Demolition and new construction (350,000 SF):
~\$413 M (incl field updates)
- District warehouse: \$40 M (Site TBD)
- Subtotal: ~ \$453 M

Staff note: new building, but site is still limited use. Does not include an aquatic facility or expanded athletic fields.

Potential property acquisition: \$40 M

Archeological contingency: \$ 50 M

Temporary Portable classrooms: \$25 M

Total: \$568 M (does not include cost escalation or OH/contingencies)

2022 COST COMPARISONS

NEW SCHOOL SITE

- New Site: Potential Office Park Conversion
 - Site Acquisition: ~ \$120 M
 - Construction: remodel & addition (350,000 SF): ~\$321 M (incl new athletic fields)
 - Subtotal: ~ \$441 M
- Other opportunities: Potential to acquire property with other school district program opportunities (e.g. early child learning, administration, warehouse, etc.).
- Potential to redevelop existing RHS site to future district purposes.



Why Now?

- Property availability - Potential property assemblage
- Need for Safety/Security/Seismic (+S3) and Other updates
- Construction cost escalation

ELECTION DATES



Application Deadline

August 2, 2022

December 16, 2022

February 24, 2023

Election date

November 8, 2022 *

*February 14, 2023 ***

*April 25, 2023 ***

* Note: If levies are on the ballot in November there are strict timing requirements for subsequent levy certification in 2023.

** 2023 dates not yet published by KC Elections office

CAPITAL LEVY OPTIONS



Capital Levy:

- A. \$ 130 M (land only)
- B. \$ 198 M (+S3 only)
- C. \$ 328 M (+S3, land)

Assessed value Growth

- 2023 5.00%
- 2024 4.00%
- 2025 3.00%

Assessed value Growth

- 2023 7.00%
- 2024 5.00%
- 2025 4.00%

Summary of Analysis - Capital Levy			
Election Date	Fall 2022		
2019 Bond Authorization	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
New Capital Levy Authorization	130,000,000	198,000,000	328,000,000
Total Project Funding	\$ 240,000,000	\$ 308,000,000	\$ 438,000,000
Bond Sale Dates and Amounts			
3/1/2023	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
2022 Total Tax Rate	3.55	3.55	3.55
Projected 2023 Total Tax Rate With New Levy	4.16	4.67	5.66
Projected Change from 2022 Rate	0.61	1.12	2.11
Example Home Value	\$500,000	\$500,000	\$500,000
Projected Cost Per Year	\$305.00	\$560.00	\$1,055.00
Projected Cost Per Month	\$25.42	\$46.67	\$87.92

Summary of Analysis - Capital Levy			
Election Date	Fall 2022		
2019 Bond Authorization	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
New Capital Levy Authorization	130,000,000	198,000,000	328,000,000
Total Project Funding	\$ 240,000,000	\$ 308,000,000	\$ 438,000,000
Bond Sale Dates and Amounts			
3/1/2023	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
2022 Total Tax Rate	3.55	3.55	3.55
Projected 2023 Total Tax Rate With New Levy	4.17	4.68	5.64
Projected Change from 2022 Rate	0.62	1.13	2.09
Example Home Value	\$500,000	\$500,000	\$500,000
Projected Cost Per Year	\$310.00	\$565.00	\$1,045.00
Projected Cost Per Month	\$25.83	\$47.08	\$87.08

BOND PLANNING OPTIONS

New Bond:

E. New Bond \$328 M (+S3 projects, land)

F. New Bond \$676 M (+S3 projects, RHS, land)

G. New Bond \$631 M (+S3 projects, DMS, NMS)

Assessed value Growth

2023 5.00%

2024 4.00%

2025 3.00%

Assessed value Growth

2023 7.00%

2024 5.00%

2025 4.00%

Summary of Analysis			
Election Date	Fall 2022		
2019 Bond Authorization	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
New Bond Authorization	328,000,000	676,000,000	631,000,000
Total Bond Sales	\$ 438,000,000	\$ 786,000,000	\$ 741,000,000
Bond Sale Dates and Amounts			
3/1/2023	\$ 192,000,000	\$ 279,000,000	\$ 267,750,000
6/1/2025	164,000,000	338,000,000	315,500,000
6/1/2027	82,000,000	169,000,000	157,750,000
	\$ 438,000,000	\$ 786,000,000	\$ 741,000,000
Maximum Bond Term	21 Years		
2022 Total Tax Rate	3.55	3.55	3.55
Projected 2023 Total Tax Rate With New Bonds	3.55	3.83	3.80
Projected Change from 2022 Rate	-	0.28	0.25
Example Home Value	\$500,000	\$500,000	\$500,000
Projected Cost Per Year	\$0.00	\$140.00	\$125.00
Projected Cost Per Month	\$0.00	\$11.67	\$10.42

Fall 2022		
\$ 110,000,000	\$ 110,000,000	\$ 110,000,000
328,000,000	676,000,000	631,000,000
\$ 438,000,000	\$ 786,000,000	\$ 741,000,000
\$ 192,000,000	\$ 279,000,000	\$ 267,750,000
164,000,000	338,000,000	315,500,000
82,000,000	169,000,000	157,750,000
\$ 438,000,000	\$ 786,000,000	\$ 741,000,000
21 Years		
3.55	3.55	3.55
3.55	3.70	3.67
-	0.15	0.12
\$500,000	\$500,000	\$500,000
\$0.00	\$75.00	\$60.00
\$0.00	\$6.25	\$5.00

Next Steps/Wrap Up/Check-in

If authorized to further develop a new capital bond program for a November 8, 2022 election, next steps include:

- ✓ Property search (continues)
- ✓ CFAC consideration (5/11/22)
- ✓ Staff priorities for next bond program (5/25/22)
- ✓ 6/8/22 - Checkpoint with RSD school board. Proceed with bond planning? Review potential bond packages.
- ✓ Ongoing: Plan for public communications (e.g., RHS, S360)
 - 6/22/22 **Finalize potential bond package.** Draft election resolution.
 - 7/13/22 Adopt election resolution. Pro/con committee appointments.
 - 8/2/22 Filing deadline KC elections.
 - 11/8/22 Election date.

Staff Recommendation

Option F: Proceed with a new capital bond referendum on November 8, 2022:

- | | |
|---|----------------|
| ● Safety, security, seismic (+S3) and HVAC projects | \$182 M |
| ● RHS replacement (alternate location) + Land | \$441 M |
| ● Overheads (3.5%) and contingency (5%) | <u>\$ 53 M</u> |
| ● Total | \$676 M |
| ● Use historical, conservative AV assumption | (5%, 4%, 3%) |

BOARD DIRECTION REQUESTED

Priority areas (Prices exclusive of Overheads and Contingency):

- Do you prefer that the safety, security, seismic (+S₃), HVAC projects (\$182 M) are foundational to any capital levy/bond program?

Renton High School location: Do you prefer us to plan for:

- A new location (requires a reserve for land) (\$441 M)?
- Rebuild on current site (requires a reserve for portables/land/archeological) (\$568 M)?

Scope/Composition: +S₃ Projects AND...?

- Do you prefer RHS and/or DMS/NMS (~\$175 M each + Portables for DMS if independent of RHS)?

Timing:

- Do you want to refer a referendum question to voters in November 2022? A later date?

Financing Vehicle:

- Do you prefer a Capital Levy (Pay as you go) approach or a Capital Bond (Term financing) approach?

Assessed Valuation assumption:

- Do you prefer the historical approach (5%, 4%, 3%) or a less conservative treatment (7%, 5%, 4%)?

Other considerations:

- Are there other matters you would like staff to develop for your consideration?

DISCUSSION



THANK YOU!