

Beal Early Childhood Center Article 5

Appropriation for Required Feasibility Study

December 5, 2016

Topics

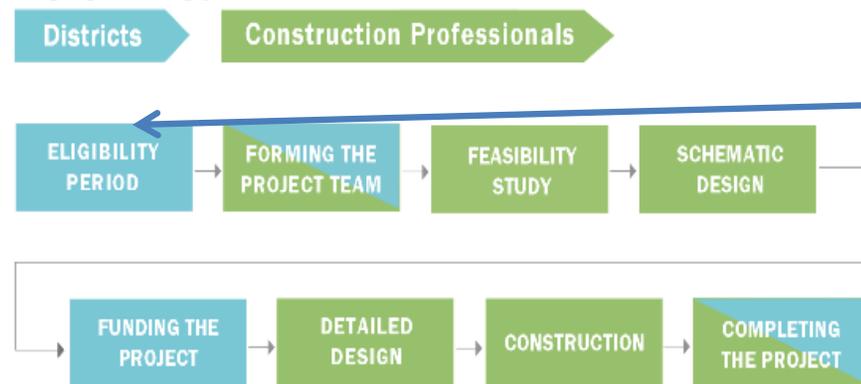
- Overview: Building with MSBA
- MSBA Module 1: Eligibility Period
 - Commenced April 13, 2016
 - Concludes January 9, 2017
 - 270 day limit to complete all required items
 - Funding required for a Feasibility Study to progress to Modules 2-4
- Milestones Progress
- Enrollment Certification
- Financing the Feasibility Study
- Frequently Asked Questions [FAQ]

Building with the MSBA

- Eight Modules in the process
- The Beal Project is in the Eligibility Period-Module 1 and on the cusp of moving into Module 2: Forming the Project Team

MSBA Building Process

Steps primarily for:



Milestones Progress

Deliverable	Deadline	Status
Initial Compliance Certification	May 13, 2016	
School Building Committee	June 13, 2016	
Educational Profile Questionnaire	July 12, 2016	
Online Enrollment Projection	July 12, 2016	
Enrollment/Certification Executed	October 11, 2016	
Maintenance and Capital Planning Information	October 11, 2016	
Local Vote Authorization	No Later than January 9, 2017	Dec. 5, 2016 Special Town Meeting
Feasibility Study Agreement [with MSBA]	January 9, 2017	MSBA Board meeting is 2/15/2017

Enrollment Certification

- The MSBA has made their own independent 10-year enrollment projection of our K-4 enrollment
 - 2025-2026 projected student population of 2,320 for K-4
 - 10/1/2016 actual K-4 enrollment was 2,188
- MSBA projection was based upon:
 - Historical/actual enrollment
 - Expected student growth with housing projects in planning pipeline
 - “Sensitivity analysis” that indicates fewer children migrate out of district when a community builds a new school

Local Vote Authorization

- MSBA requires that a community appropriate sufficient funding for a Feasibility Study [FS] prior to their board of directors entering into a Feasibility Study Agreement with a local community.
- Building Committee recommends \$1.2M for the FS based upon comparative data provided by MSBA for similar type/size projects.
- **FS expenses are reimbursable by MSBA** at same overall rate for project—now at 50.16%

Feasibility Study Financing

- Bond Anticipation Note [BAN]
 - Temporary, short-term, note typically used in these types of capital projects
 - As an example, the \$1.2M note for one year would having an interest rate of 1% would have a Net Interest Charge [NIC] of \$12,000

Feasibility Study Financing

- Projected permanent financing of a \$1.2M note at 4% int. rate
 - Assuming full use of the \$1.2M appropriation and 50% reimbursement by MSBA leaves borrowing of \$600,000 with projected impact below for a 10-year note
 - Borrowed within the Levy Limit

Permanent Financing Model [<i>Projected</i>]						
Year	Principal	Interest	Total	Tax Rate Impact*	Impact on Average Residential Taxpayer**	
1	\$ 60,000	\$ 24,000	\$ 84,000	\$0.02	\$6.44	
2	\$ 60,000	\$ 21,600	\$ 81,600	\$0.02	\$6.26	
3	\$ 60,000	\$ 19,200	\$ 79,200	\$0.02	\$6.07	
4	\$ 60,000	\$ 16,800	\$ 76,800	\$0.01	\$5.89	
5	\$ 60,000	\$ 14,400	\$ 74,400	\$0.01	\$5.70	
6	\$ 60,000	\$ 12,000	\$ 72,000	\$0.01	\$5.52	
7	\$ 60,000	\$ 9,600	\$ 69,600	\$0.01	\$5.34	
8	\$ 60,000	\$ 7,200	\$ 67,200	\$0.01	\$5.15	
9	\$ 60,000	\$ 4,800	\$ 64,800	\$0.01	\$4.97	
10	\$ 60,000	\$ 2,400	\$ 62,400	\$0.01	\$4.78	

FAQ

- **How was \$1.2M determined as the amount needed?**
- *The MSBA provided a listing of recent projects and the Feasibility Study appropriations. Industry professionals were also consulted. \$1M is intended specifically for the Beal project and an additional \$200K for an assessment of impact on other elementary schools under a reconfiguration model of having all K-4 elementary schools.*
- *Other recent FS appropriations:*
 - *Amherst, K-6 school, \$1M*
 - *Bourne, K-4 school, \$750K*
 - *Easthampton, PK-4, \$1M*
 - *Hopkinton, K-1, \$600K*
 - *Newton, K-5, \$1M*
 - *Taunton, K-4, \$1.7M*

FAQ

- **What will the money be specifically used for?**
- *Funds will be used to hire an Owner's Project Management [OPM] Company, which is required by MSBA, and an architectural firm. These industry professionals along with other consultants, the Building Committee, and school/municipal staff will complete the Feasibility Study.*

FAQ

- **What will be the outcomes of the Feasibility Study? [FS]**
 - *Explore feasibility of re-use/expansion/renovation of Beal on existing site*
 - *Explore feasibility of expanding existing elementary schools to manage projected growth [MSBA may not reimburse for these study expenses.]*
 - *Study the option of building a K-1 school of 750 students on existing or new site [required by MSBA]*
 - *Study the option a K-4 school of 790 students on existing or new site [required by MSBA]*

FAQ

- **How long will the Feasibility Study take and when will we be reimbursed the 50.16% by MSBA?**
- *Because the contracts for an OPM and architect go through a thorough selection process, including approval by MSBA, it's expected that the FS would begin in Spring 2017 and last between 12-18 months.*
- *MSBA will begin reimbursement of actual expenses on a monthly basis after the OPM is hired.*

FAQ

- **How are the Owner's Project Manager [OPM] and Architect selected?**
- *Both state procurement law and MSBA regulations dictate these be competitive procurement processes. A standard Request for Services process is administered by the Beal Building Committee.*

FAQ

- **How much would a new school cost and where will it be built?**
- *It is premature to even try to answer these questions. It is the intent and purpose of the Feasibility Study process and subsequent Schematic Design Modules to address these questions. This is why detailed planning with industry professionals is conducted.*

Questions?

