



NCSA Webinar

Designing and Financing High Performance School Facilities

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Introductions

Presenters:

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Facility Needs Assessment

Key to Facility Needs Assessment Success

You cannot hit a target that you do not have...

Finding the right answers starts with asking the right questions and listening carefully to bring focus and reality to the planning and design process.

Five Primary Tasks

- Existing Facility Assessment
 - Physical Plant Assessment
 - Educational Program Assessment
- Develop a Facility Master Plan
- Develop a Realistic Cost Analysis
- Develop Project Funding Plan
- Develop a Project Delivery Plan





Facility Needs Assessment

Planning Process Issues

- Identify Stakeholders
 - School District Patrons
 - Parents
 - Staff
 - Students
 - Community Patrons
 - Business Partners
 - Design Team Members
- Determine Quantifiable and Obtainable Goals & Objectives



Facility Needs Assessment

Physical Plant Assessment Issues

- **Site Related Issues**
 - Parking/Circulation
 - Activity Fields
 - Drainage
- **Building Envelope**
 - Roofs
 - Walls
 - Windows / Doors
- **Building, Fire Code & ADA Issues**
- **Interior Finishes**
 - Floors
 - Ceilings
 - Walls
- **Mechanical Systems**
- **Electrical Systems**
- **Data & Communication Systems**



Facility Needs Assessment

Program Assessment Issues

- **Confirm Program Requirements**
 - Enrollment & Capacity
 - Class size standards
 - Educational Space Program
 - Utilization Analysis
 - Existing space use
 - Deficiencies
- **Facility Plan Conceptual Options**
 - How the use of existing facility assets meet identified programmatic needs?
 - Concept Floor Plans
 - Remodeling / Renovation Scope
 - Additions (if required)
 - Concept Site Plans





Facility Needs Assessment

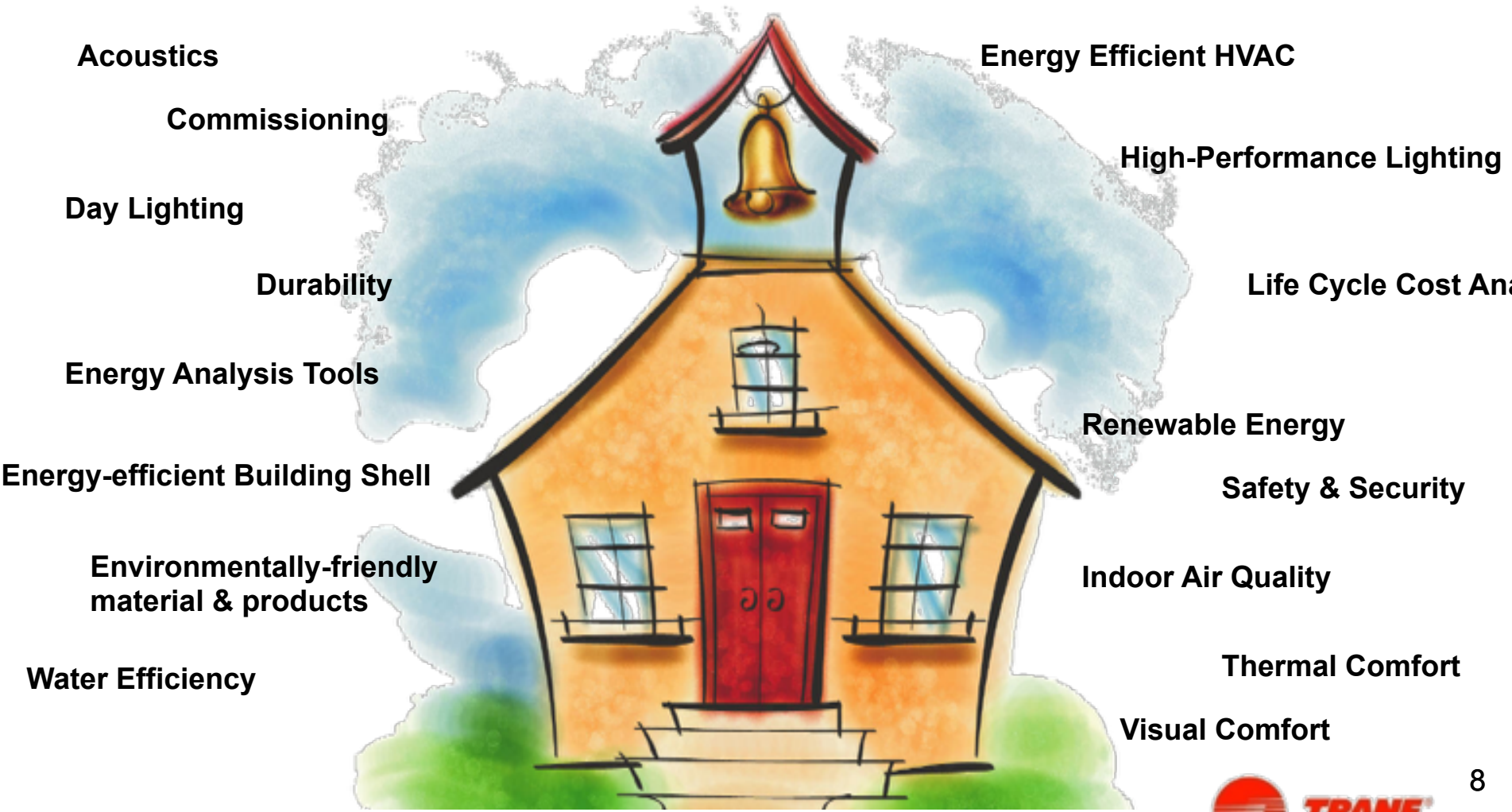
Construction Delivery Issues

- **Develop Your Objectives**
 - **Construction Cost Control**
 - **quality Control**
 - **Schedule Control**
- **Project Delivery Options**
 - **Design – Bid – Build**
 - **Construction Management at Risk**
 - **Performance Contracting** (for qualified project scope)





High Performance Learning Environments





High Performance Upgrades that Reduce O&M Costs

Facilities Upgrades that Will Reduce Energy Consumption and Operational and Maintenance Costs:

- Lighting Retrofits – T-8 and T-5 Florescent Lighting and Electronic Ballasts
- HVAC and Control Systems
- Building Shell – Roofs and Doors, Windows, Tuck Pointing and Sealants
- Water – Low Flow Plumbing Fixtures



Sample Scope of Work in a Performance Contract

Facility Improvement Measures:

- Energy Conservation Measure Projects
 - Lighting Upgrade Retrofits
 - HVAC Retrofits
 - Temperature Control Upgrades
- In Door Air Quality (IAQ) Projects
 - Adding of A/C
 - Adding Fresh Air / Ventilation
- Mechanical Retrofit Projects
- Security & Life Safety Projects
- Window Upgrade Retrofits
- Fire Alarm, Building Codes & Life Safety Projects





Performance Contracting a Tool for Creating High Performance Schools

The simple definition of a Performance Contracting (PC) is a financial tool the Legislature provides to School Boards for implementing a contract with a qualified energy services company (ESCO) to implement facility improvement measures that save energy and operational dollars and improve the learning environment.



What is Performance Contracting

- **The process of implementing a total solution to improve building performance and comfort thereby ensuring a high performance learning environment.**
- **This solution is funded from energy and operational savings and/or capital contributions and developed by professional engineers.**
- **This solution is evaluated as an investment and is purchased on the basis of both short-term and long-term financial merits and the benefits to the teaching and learning environment.**
- **CONTRACTING FOR RESULTS**



PC Has a Strong History In Nebraska School Districts

- **In 1998, legislation was implemented that is Request for Qualifications (RFQ) based for Public Entities to hire an ESCO. (Energy Services Company) Since then, approximately:**
- **Over 80 Nebraska Public School Districts have approved a Performance Contract.**
- **Total Contracts are estimated at near 100 million dollars.**
- **Six ESCO have implemented such contracts (4 active today).**
- **Recent funding allows for projects to be implemented outside lid levy limits**



The Performance Contracting Process

- I. Conceptual Meeting with Administration
 - Preliminary Building Audit
- II. School Board or Committee Meeting
 - Release RFQ
- III. Qualified PC Companies respond to RFQ
 - Proposals Evaluated
- IV. School Board Meeting
 - Board selects a Partner (LOI)
- V. In-Depth Study
 - Final project developed
- VI. Final Presentation
 - Board approves contract
 - Financing resolution
 - 3rd party Engineering review
- VII Implementation of Project





Financing Options

1) General Obligation Voter Approved Bonds:

- The question of issuing school district bonds may be submitted at a special election or such question may be voted on at an election held in conjunction with the statewide primary or statewide general election.

Statewide Election:

The statewide primary election shall be held on the first Tuesday after the second Monday in May and the statewide general election shall be held on the first Tuesday following the first Monday in November in each even-numbered year. The district must provide the notice of election to the County Election Commissioner by March 1 for the primary election and September 1 for the general election.

Special Election:

Any special election under the Election Act shall be held on the first Tuesday following the second Monday of the selected month unless otherwise specifically provided. No special election shall be held under the Election Act in April, May, June, October, November, or December of an even-numbered year unless it is held in conjunction with the statewide primary or general election. The district must provide the notice of election to the County Election Commissioner at least 50 days in advance of the special election.

General Obligation bonds allow the District to pledge its ad valorem taxing authority towards the repayment of the debt. No limitation as to project size or amount of bond issue.



Financing Options

2) Qualified Capital Purpose Undertaking Fund Bonds (QCPUF)

- Limited Tax Building Improvement Bonds
- Authorized under Nebraska State Statute 79-10,110:

Max Term: 10 Levy Years

Authority: Majority vote of the Board of Education

Max Levy: 5.2 cents per \$100 of taxable valuation

Public Hearing: NONE

Qualifying Projects: Environmental hazard, accessibility barrier exists, life safety code violation, indoor air quality and mold abatement and prevention.

Exempt from Levy Limitation



Financing Options

Process for QCPUF Bonds

- 1) Facility assessment conducted by Trane.
- 2) Project list sent to D.A. Davidson whom will work in conjunction with Bond Counsel for review of eligible projects.
- 3) Bond Counsel gives final approval of all portions of the project that adhere to guidelines set forth in NE State Statute 79-10,110.
- 4) D.A. Davidson prepares bond analysis to determine maximum amount of available proceeds to be generated through 5.2 cents based on current District valuation.
- 5) Final project is approved within these funding parameters.
- 6) Board of Education adopts a Resolution to Authorize the Issuance of Limited Tax Building Bonds. Must be approved by a majority of the BOE at a duly convened meeting.



Financing Options

3) Lease Purchase

The school board or board of education of a public school district may enter into a lease or lease-purchase agreement for the exclusive use of its individual jurisdiction for such buildings or equipment as the board determines necessary. Such lease or lease-purchase agreements may not exceed a period of seven years. All payments pursuant to such leases shall be made from current building funds or general funds.

- Authorized by Board of Education Approval
- Limited to 7 year period
- Pledge from General Fund or Special Building Fund
- Use for equipment, renovation and purchase of existing property.
- Not for new construction.*
- Limited to \$1.05 levy lid.



Financing Options

4) Tax Anticipation Notes “Rolling Construction Notes”

- Nebraska State Statute 79-1070
- Authorized by majority of BOE
- Subject to \$1.05 levy limitation
- The debt repayment is based on a 4 year amortization schedule
- 2 year notes with a balloon payment at the end of year 2.
- The remaining principal balloon is “rolled” into the following 2 years
- Notes cannot exceed 70% of unexpended balance of total anticipated receipts for the current fiscal year, and the following fiscal year.
- Issuance earlier in the school year allows for more available unexpended receipts.



Financing Options

Tax Anticipation Notes – Example:

- ABC School District has a total levy of \$0.95 and a Valuation = \$500,000,000. They have 10 cents available under the \$1.05 lid.
 - 10 cents = \$500,000 available for annual debt service.
 - Amortized over 4 years = approximately \$2,000,000 maximum for project
 - Must demonstrate \$1,430,000 remaining of total tax receipts and State Aid still due to the District at the time of issuance
 - Current interest rate on 2 year Notes is approximately 0.50%
 - \$2,000,000 amortized over 4 years at 0.50% is approximately \$510,000 in annual debt payments
 - Excellent alternative to “pay as you go” mentality.



Customer Highlight

Pawnee City Public Schools

- High School Projects
 - HVAC
 - Adding of A/C
 - Auditorium IAQ
 - Kitchen/Café project
 - Lighting Retrofit
 - Window Retrofit
- Elementary School Projects
 - Lighting Retrofit
 - New ceiling tile (asbestos)
 - Window Retrofit
 - IAQ Project
 - Duct work cleaning





Questions and Contact Info.



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