Town Council Workshop
School Building Project Update

Mansfield, CT

January 23, 2012

Agenda

- State reimbursement rate
- Cost estimates
- MBR and operating savings
- Debt service assumptions
- Revenue drivers
- Next Steps

State Reimbursement Rate

- December 31, 2012 meeting with the School Facilities Unit
- Grant repayment discussion
- Qualifications for "renovate like new"
- Mansfield's rates for 2012/13
  - Renovate like new 72.14%
  - **Alterations and build new 62.14%**
- Square footage penalty

Cost Estimate - Baseline

- Baseline includes items that will need to be done to maintain the buildings for the next 20 years
- Option A maintain and repair costs excluding the addition of solar panels at each school

Total project cost – June 2012	$25,452,048
Estimated State reimbursement	5,110,153
Net Cost to Mansfield	$20,341,895
Total project cost – June 2013	$26,216,119
Estimated State reimbursement	5,262,504
Net Cost to Mansfield	$20,953,615

Cost Estimate – Option A

- Roof and window replacements
- ADA & technology upgrades
- New heating & ventilation systems, solar panels
- Gym floors and folding partitions

Total project cost – June 2012	$30,913,495
Estimated State reimbursement	6,660,096
Net Cost to Mansfield	$24,253,399
Total project cost – June 2013	$31,840,181
Estimated State reimbursement	6,858,237
Net Cost to Mansfield	$24,981,944

Pro's and Con's – Option A

- Maintains current "neighborhood" schools for 20 years.
- Basic improvements to all four facilities
- Lower energy costs, but not as much as new schools
- Maintains smaller school size
- No need to repurpose existing buildings
- Some disruption to the learning environment during construction
- Does not achieve desired facility improvements – library media centers, separate gyms and cafeterias, larger classrooms or security systems
- No anticipated reduction to administrative personnel
- Cannot predict emergency repairs
- Lower cost during the 20 year bond period
- Does not include the replacement of the relocatable classrooms
- What is the life expectancy of the buildings at the end of the 20 year period?

Cost Estimate – Option A Enhanced

- Roof and window replacements
- ADA & technology upgrades
- New heating & ventilation systems
- Gym floors and folding partitions
- Addition of library media centers

Total project cost – June 2012	$35,517,211
Estimated State reimbursement	7,042,110
Net Cost to Mansfield	$28,475,101
Total project cost – June 2013	$36,582,893
Estimated State reimbursement	7,251,785
Net Cost to Mansfield	$29,331,108

Pro's and Con's – Option A Enhanced

- Provides for the addition of library media centers at the elementary schools
- Other facility improvements the same as Option A
- Basically same benefits/concerns as Option A however does provides the educational benefits provided by the library media centers.

Cost Estimate – Option C

- Alterations to two elementary schools
- Additions & roof replacements
- Close one elementary school
- Alterations to middle school

Total project cost – June 2012	$64,537,624
Estimated State reimbursement	20,340,330
Net Cost to Mansfield	$44,197,294

Total project cost – June 2013	$66,476,259
Estimated State reimbursement	21,339,777
Net Cost to Mansfield	$45,136,482

Pro's and Con's – Option C

- Heavy alterations and improvements to two elementary schools
- Similar to Option A but eliminates the use of one elementary school.
- Operating savings by closing one school

Cost Estimate – Option E (700 students)

- Two new elementary schools
- Estimates for Goodwin & Southeast sites
- Estimates include land purchase
- Demolish existing Goodwin & Southeast schools
- Estimates for closing Vinton school
- Alterations to middle school

Total project cost – June 2012	$61,362,289
Estimated State reimbursement	29,545,025
Net Cost to Mansfield	$31,817,264
Total project cost – June 2013	$63,205,054
Estimated State reimbursement	30,484,768
Net Cost to Mansfield	$32,720,286

Cost Estimate – Option E (750 students)

- Two new elementary schools
- Estimates for Goodwin & Southeast sites
- Estimates include land purchase
- Demolish existing Goodwin & Southeast schools
- Estimates for closing Vinton school
- Alterations to middle school

Total project cost – June 2012	$63,798,987
Estimated State reimbursement	28,925,810
Net Cost to Mansfield	$34,873,177
Total project cost – June 2013	$65,715,321
Estimated State reimbursement	29,841,315
Net Cost to Mansfield	$35,874,006

Pro's and Con's – Option E (700 or 750 students)

- New construction promotes sustainability and efficient use of resources
- Most modern and efficient energy management systems – lowest energy costs
- State of the art library/media centers
- Re-locatable classrooms replaced with permanent construction
- Separate gymnasiums from cafeterias
- Vehicle access & pedestrian safety improvements
- Increase net reimbursement due to reduced square footage
- Improved social-emotional opportunities for students
- Improved ability for teachers to collaborate

Pro's and Con's – Option E (700 or 750 students)

- Easier to maintain classroom size in compliance with district guidelines
- More effective sharing of staff specialists (Counseling, OT, PT)
- Better coordination for special education teachers
- Allows for uniform classroom size
- Improved building security (offices located at front of building)
- More flexibility to accommodate increased enrollment
- Newer facilities enhance the attractiveness of the community for existing/new residents/businesses
- Best return on investment for the long term?

Minimum Budget Requirement and Operating Savings

- Updated operating cost savings
- Current legislation
  - Budget no less than the current year's budget
  - Budget requirement, not expenditure requirement
- Operating savings to offset Debt Service
- Contact Legislators for change in law

Debt Service Assumptions

- Use of bond anticipation notes
  - Recommended to phase-in impact on operating budget
- Estimated rates (Moody's – Aa2)

Issue Date	Notes	Bonds
1/19/2011 (Mkt)	0.25%	2.50%
May-2015	Mkt + 200 bps	Mkt + 200 bps
May-2016	Mkt + 250 bps	Mkt + 250 bps
May-2017	Mkt + 300 bps	Mkt +300 bps
May-2018	-	Mkt +350 bps

- Estimated issuance timeline
  - June 2012 Application – Series bond/note sales May 2014 to May 2017
  - June 2013 Application – Series bond/note sales May 2015 to May 2018

Debt Service Impact – June 2012 Application

Option	Net Cost to Mansfield	Total P&I Cost	Peak Debt Service (Fiscal Year)	Peak Debt Service (Dollars)	Change in Debt Service from Current Year to Peak Year
A	$24,253,399	$37,230,750	2017-18	$2,597,674	$1,735,207
A (Enchanced)	$28,475,101	$43,308,750	2017-18	$2,686,250	$1,823,783
C	$44,197,294	$66,602,325	2017-18	$4,420,299	$3,557,832
E (750 students)	$34,873,177	$52,758,750	2017-18	$3,556,149	$2,693,682
E (700 students)	$31,817,264	$48,423,625	2017-18	$3,282,899	$2,420,432

Debt Service Impact – June 2013 Application

Option	Net Cost to Mansfield	Total P&I Cost	Peak Debt Service (Fiscal Year)	Peak Debt Service (Dollars)	Change in Debt Service from Current Year to Peak Year
A	$24,981,944	$39,810,188	2018-19	$2,779,299	$1,916,832
A (Enchanced)	$29,331,108	$45,692,788	2018-19	$3,195,149	$2,332,682
C	$45,136,482	$70,875,175	2018-19	$4,733,399	$3,870,932
E (750 students)	$35,874,006	$56,496,325	2018-19	$3,819,574	$2,957,107
E (700 students)	$32,720,286	$51,740,000	2018-19	$3,248,400	$2,385,933

Revenue Drivers
Storrs 1A & 1B

Tentative Program	Recurring Fiscal Benefit at Buildout
288 residential units	**+ $296,000** *retail tax revenue*
205,000 commercial SF	**+ $781,000** *residential tax revenue*
	- $529,000 *Town services & existing revenues*
	- $158,000 *school costs*
	$390,000 *net fiscal benefit*

For discussion purposes only 2021 after abatement

Revenue Drivers
Storrs Center Future Phases

Tentative Program	Recurring Fiscal Benefit at Buildout
414 residential units	**+ $457,000** *retail tax revenue*
131,000 retail SF	**+ $1,761,000** *residential tax revenue*
	- $687,000 *Town services*
	- $569,000 *school costs*
	$968,000 *net fiscal benefit*

For discussion purposes only

Revenue Drivers
Four Corners

Tentative Program

TBD
residential units

306,000
commercial SF

Recurring Fiscal Benefit at Buildout

+ $801,000
retail tax revenue

+ $TBD
residential tax revenue

- $90,000
Town services

- $TBD
school costs

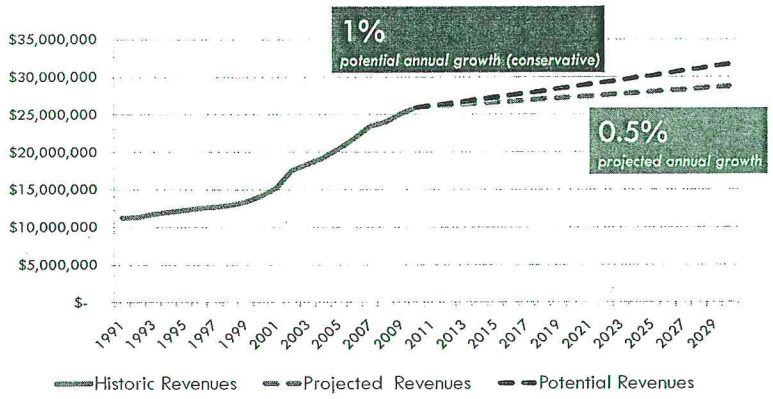
$711,000
net fiscal benefit from commercial

Revenue Drivers
Operating Cost Savings

Operating cost savings would be realized through staff reductions and energy savings. Estimated annual savings for the first year are as follows:

- Option A $ 30,000
- Option C $ 650,000
- Option E $ 865,000

Revenue Drivers
Tax Revenues

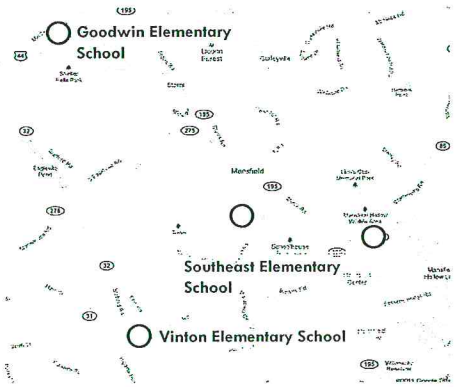


$130,000 - $170,000

annual tax revenue increment above projected

Revenue Drivers
School Site Redevelopment Value

- Locations of new elementary schools to be determined
- Are any sites appropriate for municipal use?
- All sites currently zoned RAR90 – 2 acres per unit
- What is a reasonable development program for these sites?



Revenue Drivers
School Site Redevelopment Value

Goodwin
12 acres, 9 assumed developable
Proximate to UCONN

Redevelopment opportunities
Single-family detached housing
Single-family attached housing
Multifamily rental housing
Municipal use

Southeast
16 acres, 6 assumed developable
Adjacent to Mansfield Hollow State Park

Redevelopment opportunities
Single-family detached housing
Municipal use

Vinton
23 acres, 8 assumed developable
Along Stafford Road

Redevelopment opportunities
Single-family detached housing
Single-family attached housing
Retail and/or mixed-use
municipal use

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Revenue Drivers
School Site Redevelopment *Hypothetical* Value

Goodwin
$1.3M *land sale value*
~ 40 attached units
$200,000 per unit

Southeast
$0.5M *land sale value*
~ 6 single-family units
$375,000 per unit

Vinton
$0.7M *land sale value*
~ 8 single-family units
$375,000 per unit

- Value highly subject to change depending on
  - Allowable density
  - Required infrastructure
  - Required cleanup
  - Market conditions

For discussion purposes only

Revenue Drivers

Summary

ANNUAL

Tax Revenue Gains
$0.1M+ *annually*

Operational Savings
$0.03 to 0.8M *annually*

Storrs 1A & 1B
$0.4M *annually*

Storrs Future Phases
$1.0M *annually*

Four Corners
$0.7M *annually*

ONE-TIME

School Site Redevelopment
$0.5 to $1.3M + *one-time per site*

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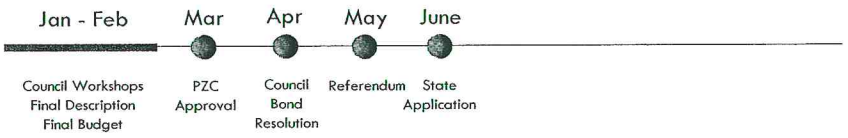
Next Steps

Decision timeline options

May 2012 Referendum & June 2012 Application



November 2012 Referendum & June 2013 Application

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Next Steps
Project Scope

- Final Decision on Construction Option
- Determine the sites
- Determine timeline

School Building Project

Q & A / Wrap-Up

Mansfield School Building Project
Revised Cost Estimates - January 23, 2012

Option	Description		Spring, 2012 Ref. June 2012, State Applic.	Fall, 2012 Ref. June 2013, State Applic.
Baseline	Maintain & repair all schools 20 years	Total Estimated Project Cost	$ 25,452,048	$ 26,216,119
	No solar panels	Net State Reimbursement	5,110,153	5,262,504
		Cost to Mansfield	20,341,895	20,953,615
A	Maintain & repair all schools 20 years	Total Estimated Project Cost	$ 30,913,495	$ 31,840,181
	Roof & window replacements	Net State Reimbursement	6,660,096	6,858,237
	ADA & technology upgrades	Cost to Mansfield	24,253,399	24,981,944
	New heating/vent. Systems			
	Gym floors, folding partitions			
	Solar panels - all schools			
A Enhanced	Maintain & repair all schools	Total Estimated Project Cost	$ 35,517,211	$ 36,582,893
	Roof & window replacements	Net State Reimbursement	7,042,110	7,251,785
	ADA & technology upgrades	Cost to Mansfield	28,475,101	29,331,108
	New heating/vent. Systems			
	Gym floors, folding partitions			
	Solar panels - all schools			
	Add'n of library/media centers			
C	*Alterations* to 2 Elementary Schools	Total Estimated Project Cost	$ 64,537,624	$ 66,476,259
	Additions, Roof Replacement	Net State Reimbursement	20,340,330	21,339,777
	Alterations	Cost to Mansfield	44,197,294	45,136,482
	Close one elementary school			
	Alterations to MMS			
E (750 students)	Two New Elementary Schools	Total Estimated Project Cost	$ 63,798,987	$ 65,715,321
	Goodwin & Southeast sites	Net State Reimbursement	28,925,810	29,841,315
	Demolish existing Goodwin & SE	Cost to Mansfield	34,873,177	35,874,006
	Close Vinton School			
	Alterations to MMS			
E (700 students)	Two New Elementary Schools	Total Estimated Project Cost	$ 61,362,289	$ 63,205,054
	Goodwin & Southeast sites	Net State Reimbursement	29,545,025	30,484,768
	Demolish existing Goodwin & SE	Cost to Mansfield	31,817,264	32,720,286
	Close Vinton School			
	Alterations to MMS			