

# BOND FINANCING

## 2014 Facts Sheet

### Best Value for your Dollar

The Need						A Measured Approach	
Assessment Rating	School	Year Built	Maintenance Costs 10 Year Projection	Estimated Seismic Upgrade and Remodel Costs	Total Maintenance and Upgrade Costs	Estimated Replacement School Cost	
Proposed Bond	2.05	Provo High School	1954	\$18,300,000	\$41,300,000	\$59,600,000 vs. \$55,500,000	
	1.94	Provost Elementary	1949	\$2,300,000	\$8,460,000	\$10,760,000 vs. \$11,570,000	
	2.41	Edgemont Elementary	1955	\$2,150,000	\$9,062,000	\$11,212,000 vs. \$12,450,000	
	2.55	Sunset View Elementary	1958	\$1,400,000	\$10,475,000	\$11,875,000 vs. \$12,480,000	
	1.87	Rock Canyon Elementary	1964	\$5,150,000	\$10,700,000	\$15,850,000 vs. \$14,000,000	
Future Bond	2.59	Wasatch Elementary	1949	\$1,830,000	\$7,500,000	\$9,330,000	\$16,500,000
	2.53	Dixon Middle School	1931	\$5,670,000	\$19,340,000	\$25,010,000	\$36,500,000
		Other Schools & Property		\$19,489,000	\$28,495,000	\$41,819,000	
		Land Purchase					\$3,000,000
	<b>Total</b>		<b>\$58,894,000</b>	<b>\$135,332,000</b>	<b>\$194,226,000</b>	<b>\$108,000,000</b>	

It is more cost effective to replace these five schools, than to maintain and upgrade them.

Many schools in our district have outlived their life expectancy of fifty years. The schools proposed for replacement range from 50-65 years old! As older buildings continue to deteriorate, they become increasingly costly to maintain.

Projected Total Need to Maintain Life Safety

Total to Replace 5 Deficient Schools

Projected Need: \$194,226,000

Bond Request: \$108,000,000

## What is bonding?

Taxing the full amount of a building lasting 50 years in one year would put an undue burden on citizens, bonding is a way for government entities to borrow money for large projects and repay the money borrowed over time with future tax revenue. Our current operating budget cannot support new schools without bonding.

## Who passes the bond?

The bond will be on the November 2014 ballot. Voting citizens will vote to pass the bond.

## Which schools are on the bond project list?

Provo High School, along with Edgemont, Provost, Rock Canyon and Sunset View elementary schools, are on the proposed project list.

Name	Year Built	Size (sf)	Enrollment	Construction Cost	per square foot	per student	square foot per student
Lakeview Elementary	2008	77,480	675	\$11,994,982	\$155	\$17,770	115
Timpanogos Elementary	2008	69,247	680	\$12,124,068	\$175	\$17,830	102
Provo Peaks Elementary	2011	92,245	836	\$14,793,007	\$160	\$17,695	110
National Median Elementary*	2012	72,500	457	\$14,488,337	\$205	\$24,677	137
National Median Middle*	2012	109,522	650	\$23,400,000	\$193	\$29,285	172

## How were these schools identified for replacement?

The District commissioned an independent facility assessment, conducted by a team of architects and engineers, evaluating and rating all of our existing schools and facilities. We also formed a Facility Advisory Committee (FAC), made up of community members from around the District, to evaluate the data and forward replacement recommendations to the Board of Education. The District and School Board have followed the recommendations of the building assessment and FAC in proposing a \$108 million bond.

The District, together with the FAC and architectural consultants, are working to determine the best approach to replace these schools.

- We are evaluating the proposed school size with regard to projected enrollment and growth over the next 20 years.
- We are considering life-safety, security, healthy schools, daylight, learning environment and modern curricula.
- We are studying school boundaries and growth projections.
- We are evaluating building costs of past and current projects around the district and county to ensure we are getting the highest value.

### **Why \$108 million?**

The district has a need of \$200 million over the next ten years to maintain our aging schools and buildings. By bonding for \$108 million, we are taking a carefully measured approach in addressing our most urgent needs. By replacing our oldest and most deficient schools, we spend money on creating new, safe and efficient schools rather than spending the same money to temporarily upgrade and maintain our old ones.

### **Have you considered alternative funding options?**

The Board has considered alternative options but is not aware of any that would satisfy our needs. Has the school board considered alternatives such as replacing 3 elementary schools with 2 in order to be more efficient? The Facility Advisory Committee felt strongly that it was important to stick with more community schools rather than fewer extra large schools.

### **Can property be sold to help fund the bonding needs?**

Provo City School District is projected to grow in student enrollments for at least the next 15 years. The District does own a number of property parcels of varying sizes that could be considered for sale. However, the Board will be very reluctant to sell properties during a time of growth. With that being said, selling some existing property may be an option in the future.



## How much will the bond cost me?

It is estimated that the 2014 bond will increase the tax rate over the course of the replacement schedule by about \$9.24 per month or about \$111 per year on a \$210,000 primary residence. It is proposed that the bond will be repaid over the next 20 years.

Even after the bond, Provo residents will pay less tax than neighboring districts.

## How Provo's Tax Rate Compares:

Provo residents pay considerably less than Nebo and Alpine School District residents:

Provo City School District (with bond): 0.008523 < Alpine School District: 0.008699 < Nebo School District: 0.009526

We spend less on schools than the national average.

## What is the cost to business owners?

If the bond election passes, a business with a taxable valuation of \$210,000 should expect to see a property tax increase above the current taxes paid of about \$202 per year or about \$16.80 per month.

## Why not build like Charter Schools that are much cheaper?

When rebuilding schools, Provo City School District adheres to the guidelines set forth by the Utah State Office of Education (USOE) in their School Construction Resource Manual. Specifically, \*Article 1.b.3.d states, "...planning should provide for the orderly replacement of all school facilities over a period of 50 to 75 years." Additionally, \*Article 4.b states that, "...the life expectancy of the new school which they are planning will be from 50 to 75 or more years." In other words, we are expected to build our new building to last from 50 to 75 years. To do this requires masonry and steel structures, masonry exteriors and metal stud framed interiors. The vast majority of charter schools are entirely wood framed buildings, built to last for 20 years, or half-wood/half masonry, or with masonry structure and wood framed interior walls, which last 25 to 35 years. It is also important to note that charter schools do not typically include full cooking kitchens to provide school lunch, auditoriums, special needs services, or residential plumbing, mechanical and electrical systems. They also have either scaled down or no athletic facilities, gyms or athletic fields, reduced science labs, smaller classrooms and reduced curriculum opportunities.