TCGIS Listening Session
Facilities
April 9, 2018
FACILITY USE PROJECTIONS

• Original Intent
  • The School was originally designed to hold 3 sections through 4\textsuperscript{th} grade, and 2 sections for 5\textsuperscript{th} through 8\textsuperscript{th} grade.

• Current Trajectories
  • There are currently 3 sections in Kindergarten through the 5\textsuperscript{th} grade.
  • Current attrition rates indicate that the school will sustain 3 sections through the 8\textsuperscript{th} grade.

• Projected Student Population

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<td>555</td>
<td>570</td>
<td>591</td>
<td>606</td>
<td>613</td>
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FACILITY USE PROJECTIONS

• Facility Needs
  • Given growth projections, the School needs additional classrooms and additional spaces / offices when at projected capacity:
    • 4 Classrooms, plus 2 specialty spaces
    • 4 Special Ed. / Student Auxiliary Spaces
    • 5 Admin. / Staff Spaces
    • Gym Space
    • Cafeteria

• Timeline – Needed for the 2019-20 Academic Year
FACILITY USE – OPTIONS

• The Board has considered various options.
  • Stay within the current space / footprint.
  • Lease additional space.
  • Buy additional space.
  • Build additional space.

• Staying within the current space is undesirable.
  • Lose meeting room 100.
  • Need to use cafeteria as gym space for K-1.
  • Lose current staff lounge.
  • Limited opportunity to increase office, spec. ed. and breakout spaces.
  • Increased wear and tear and decreased flexibility for scheduling.
FACILITY USE – OPTIONS

• Leasing options are limited and inconvenient.
  • St. Berndard’s and Metro Deaf School.
  • Leases are expensive as a long term solution and impact reserves.
  • Multiple locations create logistics issues for parents and admin., as well as additional administrative costs: ~$170K-$200K per year.

• Purchasing options are expensive and inadequate.
  • Metro Deaf School.
  • Not big enough for 3 sections of K-8.
  • Space is more than what we need to house just part of the school, and would create split campus issues.
  • Does not have the outdoor space that the Como location provides.
FACILITY USE – OPTIONS

• Considerations Regarding New Construction:
  • Building on the current footprint.
  • Purchasing additional land adjacent to the school.

• Additional Land Options:
  • 1040 Como Ave. – Orthodox Presbyterian Church – a great neighbor who is renting space to us, but its property is not for sale.
  • 1010 Van Slyke Ave. – House to the SE – preliminary discussions revealed that the property is not for sale.
  • 1042 Van Slyke Ave. – House to the NW – purchase agreement had been signed, but decided against moving forward with purchasing.

• Any kind of new construction costs MONEY.
FACILITIES OWNERSHIP

• **The School does not own the school building.**
  - Minnesota law prevents charter schools from using public funds to purchase the facilities from which they operate.
  - The School leases the building from the TCGIS Building Co., an affiliated company whose sole purpose is to own and maintain the school building.

• **The Building Co. issued bonds to pay for the building.**
  - To get money to purchase the school building and to build the addition, the Building Co. issued ~$9,000,000 of bonds.
  - The Building Co. uses the lease money from the School to make the payments on the bonds, and to make capital improvements to the school building.
  - Bond payments are currently between $500,000 - $560,000 per year.
FACILITIES FUNDING

• The State of Minnesota pays most of the lease.
  • The State will provide up to 90% of the lease expense, at a maximum rate of $1,314 per pupil unit.
  • The School and the Building Co. have a lease that maximizes the amount of lease aid the school receives each year.

• A portion of lease payments can be used to improve the school building.
  • The lease payment currently exceeds the bond payments.
  • The Building Co. can use some of this money for things like new windows, new doors, new roofs . . . and new construction.
  • The “Capital Improvement” account currently holds around $400,000.
FACILITIES MAINTENANCE

• The projected costs of maintaining the school building and the Aula are significant.
  • Facilities staff projects that the Aula will require up to $1,195,000 worth of improvements in the next 7-10 years.
  • Facilities staff also projects that the school building will require up to $535,000 worth of improvements in the next 7-10 years.

• The combined maintenance costs will consume most of the lease surplus.
  • The projected surplus for this year is $260,000.
  • Spread across 7 years, the annual maintenance costs for the school building and the Aula are $250,000.
BONDING & GROWTH

• As the School grows, the difference between lease payments and bond payments may continue to grow.
  • Increased enrollment means that we will earn more lease aid and will pay additional costs, but the bond payments will remain the same.

• The School’s growth may support a new bond issuance.
  • A new bond issuance would be used to replace the Aula with a modern gym, cafeteria, and additional classrooms.
  • The new bonds would be paid for with the increased lease aid, plus savings from avoiding Aula maintenance.

• The critical issue is student growth projections.
  • Because new bond payments would rely on increased enrollment, it is important to be conservative in preparing these projections.
OTHER OPTIONS?

• Is it possible to build and keep the Aula?
  • Keeping the Aula and building would consume precious playground space and/or parking spaces.
  • Even under more aggressive enrollment growth projections, the school cannot support the projected maintenance costs and additional bonds.

• What if we don’t build at all?
  • At three sections per grade, programming at the school will likely suffer from lack of classroom space and the financial burden of the Aula.

• What if we don’t have three sections per grade?
  • A student population built on two sections per grade is not sufficient to make the bond payments and maintain the school building and Aula.
Second Floor

Twin Cities German Immersion School – K-8 Charter School
1031 Como Ave. Saint Paul, MN

Second Floor

Building Information

Existing: 9,800 @ 3 floors = 29,400 S.F.
Phase I Addition: 20,676 S.F.
First 7,135 sf
Second 6,400 sf
Ground 7,135 sf

Phase II Addition: 23,150 S.F.
First 3,970 sf
Second 8,100 sf
Ground 11,080 sf

Total Complex S.F. = 73,220 S.F.
Ground Floor

Building Information

Existing: 9,300 @ 3 floors = 29,900 S.F.
Phase 1 Addition:
First 7,135 s.f
Second 6,400 s.f
Ground 7,135 s.f

Phase II Addition:
First 3,970 s.f
Second 8,100 s.f
Ground 11,000 s.f

Total Complex S.F. = 71,210 S.F.

Ground Floor
Twin Cities German Immersion School – K-8 Charter School
1031 Como Ave. Saint Paul, MN
Next Steps

Architecturally
Reviewing staff surveys/interviews with user groups
Design team meetings
Programmatic use
Schematic design development

Finances
Bond underwriter review
Bond issuance

Construction
Create construction plan - interviewing general contractors
Now we want to hear from you.

Nic Ludwig - Facility Chair - nludwig@tcgis.org
Classroom building long term maintenance

$535,000 maintenance in next 7-10 years

- Boiler $120,000
- Asbestos in boiler room $40,000 (currently non-friable)
- Unit heaters and thermostats $65,000
- Water Heater $10,000
- Roof $150,000
- South Windows $65,000
- North Windows $65,000
- Entry doors $20,000
Aula long term maintenance

$845,000-$1.1M maintenance in next 7-10 years

- Boiler $120,000
- Water Heaters $20,000
- Windows/Doors $75,000
- Roof $500,000-$750,000
- Masonry $120,000
- Sound Dampening $10,000
- Sprinkler System $100,000 (optional)
## Preliminary Basic Project Costs (Estimate)

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Improvements - Hard Costs</td>
<td>$4,315,400</td>
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<tr>
<td>Debt Service Reserve Fund</td>
<td>$321,174</td>
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<tr>
<td>Soft Costs (Including Commissions)</td>
<td>$864,246</td>
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<tr>
<td>Project Contingency</td>
<td>$100,000</td>
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<tr>
<td>Development Consultant Fees</td>
<td>$131,991</td>
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<td><strong>Total Project Costs</strong></td>
<td><strong>$5,732,811</strong></td>
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(Bond underwriter reviewing finances)
Charter School Facilities - Prior Expansion

• The prior expansion was paid for with bonds we are currently re-paying.

• This money is in the Building Fund, and cannot be used for general school operations, but can be used for expansion.

• The surplus in lease payments over bond payments represents the additional debt service we could assume as part of a new bond issuance.

• Charter schools cannot levy property taxes to fund expansion projects. TCGIS receives $1314 per student for building related expenses.
Student Demo - graphics