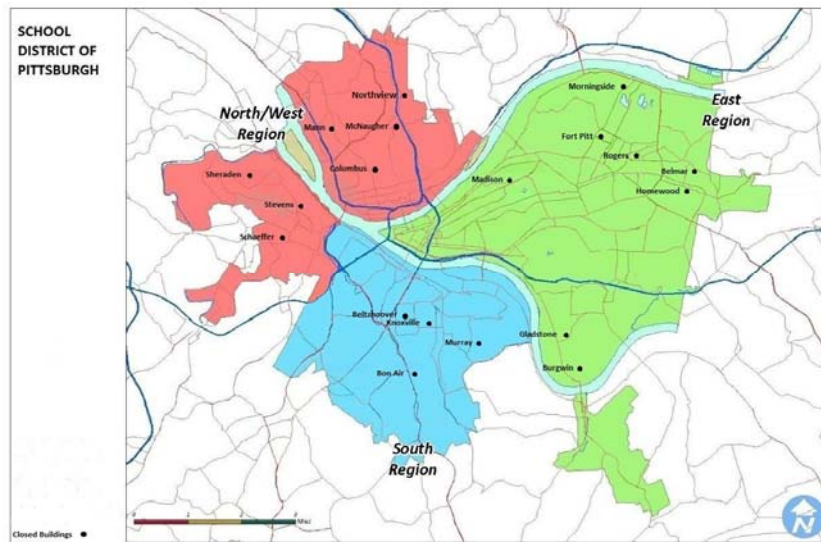


Closed School Building Update and Columbus Facility

Business/Finance Committee
Meeting
June 3, 2014



Closed School Buildings



Sale of Closed Buildings

- Sections 707 and 1704-B of the school code and Board Policy 814 details the methods of sale of public school buildings
- Commonly used methods of sale are negotiated sales and sealed bids

3

History of Building Sales

- Since 2006 the District has sold 20 buildings
 - 2 buildings are currently under agreement (Madison and Morningside)
- \$18.9 million in revenue was generated by the sale of these buildings

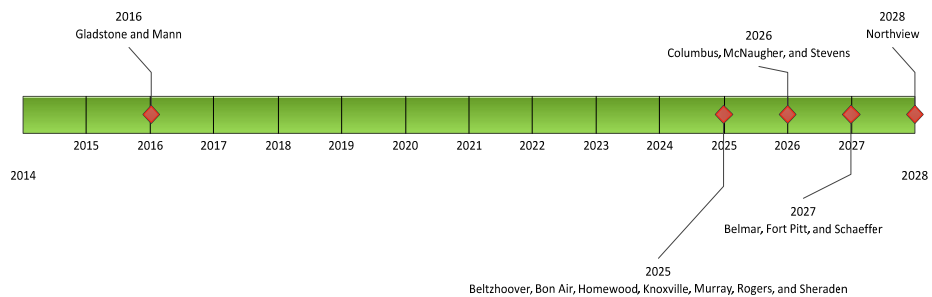
4

Impact of Closed Buildings

- The outstanding debt on the 18 closed is over \$9 million
- The annual carrying cost of these buildings is over \$690,000
- The outstanding debt is scheduled to be repaid by 2028

5

Timeline for Repaying Outstanding Debt on Closed Buildings

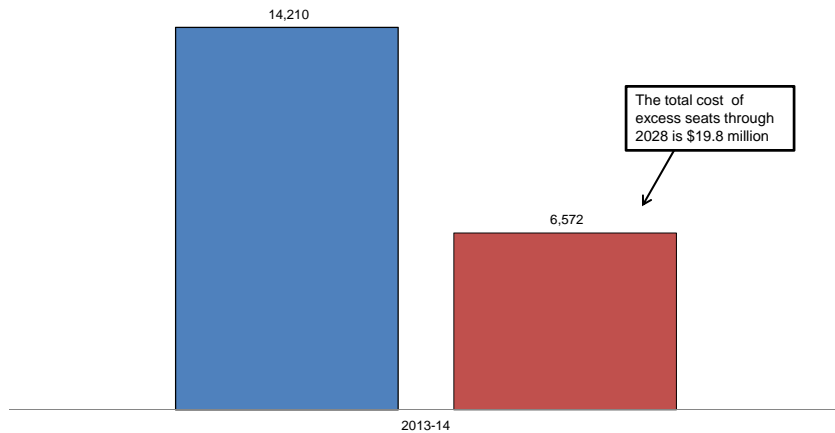


6

Excess Seat Comparison

2013-14 Excess Seats

■ Excess Seats (Open Building) ■ Excess Seats (Closed Buildings)



7

Building Sales Update

- Asking prices have been established for 7 additional closed buildings
- Evaluating disposition options for 8 additional buildings
- All offers will be evaluated and brought before the Board for approval

8

Columbus Facility

- Building was closed in 2006
- Propel Schools began leasing the facility on July 15, 2011
- The current outstanding debt is \$692,683

9

Columbus Lease

- Annual lease payment of \$120,000
- 25% of the lease payment is placed into an escrow account for major repair
- The District is responsible for repairs in excess of \$7,500

10

Columbus Capital Needs

- Facilities review conducted on 4/23/14 and 5/1/14
- Estimated capital needs total \$7.2 to \$9.9 million
- Urgent capital needs include roof and boiler repairs (estimated at \$450,000 - \$900,000)

11

Columbus Facility Sales Update

- Began marketing the building in March 2013
- After 15 months of marketing there has not been any serious expression of interest in this property other than by Propel.
- The current asking price is \$915,000

12

Lease vs. Sale

Lease

- Generates lease revenue of \$90,000
- The District is responsible for repairs over \$7,500
- Debt would not be satisfied until 2026

Sale

- Satisfies outstanding debt
- Generates \$300,000 in revenue
- District is no longer responsible for repairs or carrying costs