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

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
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

Timeline for Repaying Outstanding Debt on Closed Buildings
Excess Seat Comparison

2013-14 Excess Seats
- Excess Seats (Open Building)
- Excess Seats (Closed Buildings)

The total cost of excess seats through 2028 is $19.8 million.

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
Columbus Facility

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

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
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)

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
# Lease vs. Sale

<table>
<thead>
<tr>
<th>Lease</th>
<th>Sale</th>
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<tbody>
<tr>
<td>• Generates lease revenue of $90,000</td>
<td>• Satisfies outstanding debt</td>
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<tr>
<td>• The District is responsible for repairs over $7,500</td>
<td>• Generates $300,000 in revenue</td>
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<tr>
<td>• Debt would not be satisfied until 2026</td>
<td>• District is no longer responsible for repairs or carrying costs</td>
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