



COLORADO DEPARTMENT *of* EDUCATION

# Prioritized FY2013-14 Recommended BEST Lease-Purchase Grants

Submitted to:  
Capital Development Committee

By:  
Ted Hughes  
On behalf of the:  
State Board of Education

June 13, 2013

---

Ted Hughes  
Director, Division of Public School Capital Construction Assistance  
1580 Logan Street, Suite 310  
Denver, CO 80203  
303-866-6948  
hughes\_t@cde.state.co.us

## Table of Contents

<b>Executive Summary</b>	<b>#3</b>
<b>List of Prioritized FY2013-14 BEST Lease-Purchase Grants Recommended by the State Board of Education</b>	<b>#5</b>
<b>Summary of Prioritized FY2013-14 BEST Lease-Purchase Grants Recommended by the State Board of Education</b>	<b>#6</b>
<b>Summary of Prioritized FY2013-14 BEST Lease-Purchase Back-up Grants Recommended by the State Board of Education</b>	<b>#8</b>

---

## Executive Summary

---

Pursuant to 22-43.7 C.R.S., the Building Excellent Schools Today (BEST) Act, financial assistance is provided from the Public School Capital Construction Assistance Fund (Assistance Fund) to school districts, charter schools, institute charter schools, BOCES, and the Colorado School for the Deaf and Blind to assist with the construction of new public schools and the renovation of existing public schools.

The sources of revenue for the Assistance Fund are revenues from the State Land Trust, lottery proceeds, matching grant funds, and interest on moneys in the Assistance Fund.

The statute establishes the Public School Capital Construction Assistance Board (Assistance Board) or BEST Board. On March 1, 2013, the Division of Public School Capital Construction Assistance received 63 qualifying grant applications for BEST funds from school districts and charter schools. Three of the applications were withdrawn by the applicants, leaving 60 applications. The total grant amount requested was \$227.7 million, with \$80.3 million in matching funds, for a total of \$308 million in total project costs. On May 28th and 29th the Assistance Board reviewed grant applications at day-long public meetings and pursuant to 22-43.7-109(7) C.R.S. prepared prioritized lists of projects to be approved by the State Board to receive financial assistance. Thorough review was given to every application by BEST staff and the Assistance Board.

The following is a link to a summary of the grant applications received on March 1, 2013:

<http://www.cde.state.co.us/cdefinance/download/pdf/BEST/BESTGrantCycles/CCASummaryBookFY2013-14.pdf>

A hard copy of the summary is available upon request.

### Standard of Review for the Assistance Board

The Assistance Board, taking into consideration the Financial Assistance Priority Assessment, in conformance with statute, has prioritized applications for public school facility capital construction projects based on the following criteria, in descending order of importance and pursuant to 22-43.7-109(5) C.R.S.:

1. Projects that will address safety hazards or health concerns at existing public school facilities, including concerns relating to public school facility security. In prioritizing an application for a public school facility renovation project that will address safety hazards or health concerns, the Assistance Board shall consider the condition of the entire public school facility for which the project is proposed and determine whether it would be more fiscally prudent to replace the entire facility than to provide financial assistance for the renovation project;
2. Projects that will relieve overcrowding in public school facilities, including but not limited to projects that will allow students to move from temporary instructional facilities into permanent facilities;
3. Projects that are designed to incorporate technology into the educational environment;
4. All other projects.

### Standard of Review for the State Board

Generally, the State Board may approve, disapprove, or modify the provision of financial assistance for any project recommended by the Assistance Board, but may only disapprove or modify if the State Board concludes that the Assistance Board misinterpreted the results of the prioritization assessment conducted pursuant to section 22-43.7-108 C.R.S. or misapplied the prioritization criteria specified in subsection 22-43.7-109(5) C.R.S.

### SB13-214

Earlier this year, the General Assembly enacted SB13-214 which requires the Assistance Board to submit the list of recommended projects to the State Board no later than June 20 for approval, disapproval, or modification. Then the State Board must submit to the Capital Development Committee (CDC) of the General Assembly a prioritized

list that includes only those projects for which the State Board is recommending awards of financial assistance that involves lease-purchase agreements.

Pursuant to 22-43.7-109(7)(a) of SB13-214, the prioritized list of projects for which the State Board recommends financial assistance shall include the State Board's recommendation as to:

1. The amount of financial assistance;
2. The type of financial assistance to be provided. In this case the projects are recommended for BEST Lease-Purchase Grants using new lease-purchase or previously financed moneys.
3. The amount of applicant matching moneys for each recommended project based upon information provided by the applicant;
4. The source of matching moneys for each recommended project based upon information provided by the applicant;

The Assistance Board may recommend that any specific project only receive financial assistance if another higher priority project or group of projects becomes ineligible for financial assistance due to the inability of an applicant to raise required matching moneys by a deadline prescribed by the Assistance Board as a condition of a financial assistance award for the higher priority project or group of projects. These stand-by projects are called back-up projects.

### **Standard of Review for the CDC**

No later than July 15 the CDC may approve the recommended projects submitted by the State Board. Or the CDC may disapprove the list if the CDC concludes that the inclusion of one or more of the projects on the list will unreasonably increase the cost of providing financial assistance that involves lease-purchase agreements for all of the projects on the list. If the CDC does not approve or disapprove the list by July 15, it is deemed to have approved the list as submitted.

If the CDC disapproves the prioritized list it shall provide its reasons in writing no later than July 20. No later than August 1, the State Board may resubmit the list with modifications, or additional information, or both, that address the CDC's concerns. No later than August 15, the CDC may approve the entire resubmitted list or may disapprove one or more projects if the CDC again concludes that the inclusion of the project or projects will unreasonably increase the cost of providing financial assistance that involves lease-purchase agreements for all the projects on the list. If the CDC disapproves a project on the resubmitted list, the project shall not receive financial assistance that involves lease-purchase agreements and the remaining projects shall receive such financial assistance. If the CDC does not approve or disapprove the resubmitted list by August 15, it is deemed to have approved the list as resubmitted.

### **Conclusion**

The State Board is submitting to the CDC the following prioritized list and description of six projects for lease-purchase financing, with two additional projects as back-up projects if a higher prioritized project becomes ineligible for financial assistance due to the inability of raising their required matching moneys.

The following is submitted for CDC approval at their June 19, 2013 meeting.



**List of Prioritized FY2013-14 BEST Lease-Purchase Grants Recommended by the State Board of Education**

County	District	Project Description	BEST Request Amount	District Matching Contribution	Total Request & Matching Contribution	Type of Financial Assistance	Source of Match
MINERAL	CREEDE 1	K-12 School Replacement	\$ 8,683,253.00	\$ 7,462,907.00	\$ 16,146,160.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
LAS ANIMAS	KIM 88	Renovation and Addition to PK-12 School	\$ 7,923,336.00	\$ 2,717,118.00	\$ 10,640,454.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
LINCOLN	LIMON RE-4J	New PK-12 School and Gym Renovation	\$ 18,046,347.00	\$ 6,973,015.00	\$ 25,019,362.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
SAGUACHE	MOFFAT 2	PK-12 School Replacement	\$ 12,124,993.00	\$ 4,552,677.00	\$ 16,677,670.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
PHILLIPS	HAXTUN RE-2J	K-12 Renovation and Addition	\$ 3,253,084.00	\$ 3,385,862.00	\$ 6,638,946.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
CONEJOS	SOUTH CONEJOS RE-10	PK-12 School Replacement	\$ 14,082,673.00	\$ 5,477,745.00	\$ 19,560,418.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
<b>BEST Lease-Purchase Grant Total</b>			<b>\$ 64,113,686.00</b>	<b>\$ 30,569,324.00</b>	<b>\$ 94,683,010.00</b>		

**Lease-Purchase Backup Projects**

MORGAN	FT. MORGAN RE-3	MS Replacement	\$ 23,572,389.00	\$ 11,092,888.00	\$ 34,665,277.00	New Lease-Purchase and/or Previously Financed Moneys	November 2013 Bond Election
CSI	Ross Montessori Charter School	K-8 School Replacement	\$ 11,959,040.00	\$ 1,039,916.00	\$ 12,998,956.00	New Lease-Purchase and/or	Grants, CSI Loan, Fundraising/Private Donations & Capital Campaign
<b>BEST Lease-Purchase Backup Grant Total</b>			<b>\$ 35,531,429.00</b>	<b>\$ 12,132,804.00</b>	<b>\$ 47,664,233.00</b>		

---

## Summary of Prioritized FY2013-14 BEST Lease-Purchase Grants Recommended by the State Board of Education

---

### **Creede 1 / K-12 School Replacement**

This is a project for a new K-12 facility. The current facilities are located in log cabins. The health & safety issues at the facility include unmonitored entrances, fire safety issues, deteriorating logs, no fresh air ventilation, presence of mold, high radon levels at the elementary school, and traffic safety due to the school being located along a highway. The proposed project for a new K-12 facility will address all of the current health & safety issues, and is proposed to be located on a new site.

This project is recommended for a BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$8,683,253.00; District Contribution \$7,462,907.00 or 46%, with source of match being a November 2013 bond election, with any adjustments to the grant amount and match amount as may be imposed by C.R.S. 22-43.7-109(10)(a).

### **Kim 88 / Renovation and Addition to PK-12 School**

This project is to renovate an existing historic elementary school, a high school/gym/cafeteria/Vo-tech addition and to demolish a historic activity center that has structural issues that make it currently unsafe and unusable. The existing high school will be decommissioned and taken out of use. The project addresses health & safety needs at the current facilities including structural issues, fire alarm, fire suppression, unmonitored entries and water infiltration. The project would place the entire campus, currently located in multiple buildings, in one building.

This project is recommended for a BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$7,923,336.00; District Contribution \$2,717,118.00 or 26%, with source of match being a November 2013 bond election, with any adjustments to the grant amount and match amount as may be imposed by C.R.S. 22-43.7-109(10)(a).

### **Limon Re-4J / New K-12 School and Gym Renovation**

This project is to replace the majority of a K-12 school with a facility meeting 21<sup>st</sup> century standards. Portions of the school currently suffer from drainage problems, significant security limitations, lack of adequate fire separations or suppression, poor indoor air quality and a number of other safety, security and educational suitability deficiencies. These deficiencies are due to the honeycomb-shaped floor plan of the high school, aging 1923 elementary school and middle school occupying a retrofitted gymnasium. The physical limitations of the building shells and haphazard nature of prior additions limit the possibility of renovating existing space to resolve these issues in a cohesive plan. The district plans to replace the classroom wings, and renovate the remaining athletic spaces where needed, to result in a compact and comprehensive K-12 school.

This project is recommended for a BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$18,046,347.00; District Contribution \$6,973,015.00 or 28% with source of match being a November 2013 bond election, with any adjustments to the grant amount and match amount as may be imposed by C.R.S. 22-43.7-109(10)(a).

**Moffat 2 / PK-12 School Replacement**

This project is to replace a PK-12 school building. The original building was built in 1921 and has had numerous renovations between the time it was built, through 1997. As noted in the statewide assessment, as well as findings from their independent master planning efforts, a large majority of the schools systems are beyond their useful life. There is severe deterioration to the school's foundation and the overall educational suitability of the school is poor due to the renovation constraints surrounding the original 1921 building. The school plans to build a new PK-12 facility on their existing site which will be LEED gold certified and meet the BEST construction guidelines.

This project is recommended for a BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$12,124,993.00; District Contribution \$4,552,677.00 or 27%, with source of match being a November 2013 bond election, with any adjustments to the grant amount and match amount as may be imposed by C.R.S. 22-43.7-109(10)(a).

**Haxtun Re-2J / PK-12 Renovation and Addition**

This project is to construct a middle school addition and renovate a PK-12 school to relieve overcrowding and resolve various health and safety concerns in the facility. The addition of preschool to the school's program in 2003, and subsequent growth in the lower grade levels, has caused classrooms and hallways to become overcrowded and a modular to be brought to the campus to support third and fourth grade classes. The addition will eliminate the modular and allow the kindergarten through second grade classes to spread to two classrooms each, as well as separate the middle school students from the elementary. The renovations will retrofit the school with fire sprinklers to address the lack of suppression or fire separations in the school, replace the original underperforming HVAC system in the elementary wing, repair roof drainage issues, upgrade the electrical service and distribution, and enlarge the kitchen to accommodate the increase in food service requirements, bringing a freezer that had been moved outside back into the building.

This project is recommended for a BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$3,253,084.00; District Match \$3,385,862.00 or 51% with source of match being a November 2013 bond election and the district's Capital Project's Fund.

**South Conejos RE-10/ PK-12 School Replacement**

The project is to replace school district facilities currently located at 2 different campuses into one PK-12 campus located at the site of the 1967 elementary school. The high school campus currently has several aging buildings, built in 1925, 1956, and 1967. The facilities have deficiencies including friable asbestos, deficiencies with the electrical/sewer systems, numerous unsecured buildings with unsupervised entries, and educational suitability issues including a gym that was built over classrooms. The project will address health & safety hazards, code & ADA issues, and will increase efficiency by reducing the current district facility square feet of 133,248 to 63,583 square feet.

This project is recommended for a BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$14,082,673.00; District Contribution \$5,477,745.00 or 28%, with source of match being a November 2013 bond election, with any adjustments to the grant amount and match amount as may be imposed by C.R.S. 22-43.7-109(10)(a).

---

## Summary of Prioritized FY2013-14 BEST Lease-Purchase Back-up Grants Recommended by the State Board of Education

---

### **Fort Morgan RE-3 / Middle School Replacement**

This project is to replace a middle school with a new 21<sup>st</sup> century middle school on a new site. The 88 year old school has been well maintained and has had multiple additions and renovations through the years. The middle school suffers from undersized classrooms, poor mechanical ventilation in many areas, unrated corridors, an undersized electrical system, unsecured entrances and plumbing system deficiencies. By replacing the 7-8 middle school with a 6-8 middle school, the district will reorganize the remaining schools and jump-start improvements district-wide.

This project is recommended for a backup BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$23,572,389.00; District Contribution \$11,092,888.00 or 32% with source of match being a November 2013 bond election.

### **Ross Montessori School / K-8 School Replacement**

This project is to replace their dilapidated modulars with a new state of the art Montessori brick and mortar building in the Roaring Fork Valley. The project also includes the purchase of land since their current location sits in an industrial park, on top of the city water main and next to a hazardous waste facility. The project deals with health, safety and security issues with their campus location and structure.

This project is recommended for a backup BEST Lease-Purchase Grant, using new lease-purchase and/or previously financed moneys as follows:

Grant \$11,959,040.00; Charter School Match \$1,039,916.00 or 8% with source of match being grants, CSI loan, fundraising/private donations & capital campaign.