

SANDHILLS PUBLIC SCHOOLS ACTIVITY BUILDING PROJECT 12/20/2021

Agenda:

- Welcome – J.D. Furrow
- Purpose of the Project
- Details of the Building
- Cost to the District
- Plan for Payment and Tax Implications
- Message from the Board
- Public Comment / Q & A



Sandhills Public Schools
Chief Building

72x144x20 Chief Pre-Engineered Building		
2:12 Roof Pitch		
Galvalume Roof and Colored Sidewalls & Wainscot		
Two 6070 Solid Steel Walk Door		
Full Height Liner Panel		
Fifteen 4030 Windows		
One Interior Transverse Partition Wall		
24x72 Mezzanine		
Gutters and Downspouts		\$ 308,028.00
Erection		\$ 55,528.00
6" Concrete Pad with rebaron 2' centers		\$ 89,944.00
Simple Saver Insulation with install labor		\$ 59,606.15
Rubberized Basketball Court		\$ 36,277.00
2 Retractable Ceiling Mounted Basketball Hoops		\$ 16,592.00
4 Ceiling Mounted Static Basketball Hoops		\$ 32,452.00
Weight Room Flooring		\$ 24,910.00
	Total	\$623,337.15
	Including Freight	
Plumbing estimated as drawn:	ADD	\$ 24,516.80
Electrical Estimated as drawn:	ADD	
Volleyball Equipment	ADD	\$ 16,836.00
Additional for Wood Court (inclgd concrete notch)	ADD	\$ 32,554.00

+ Dirt Work
+ HVAC

697,243.95

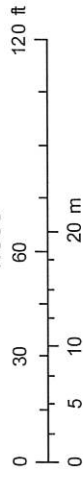
Orientation #2

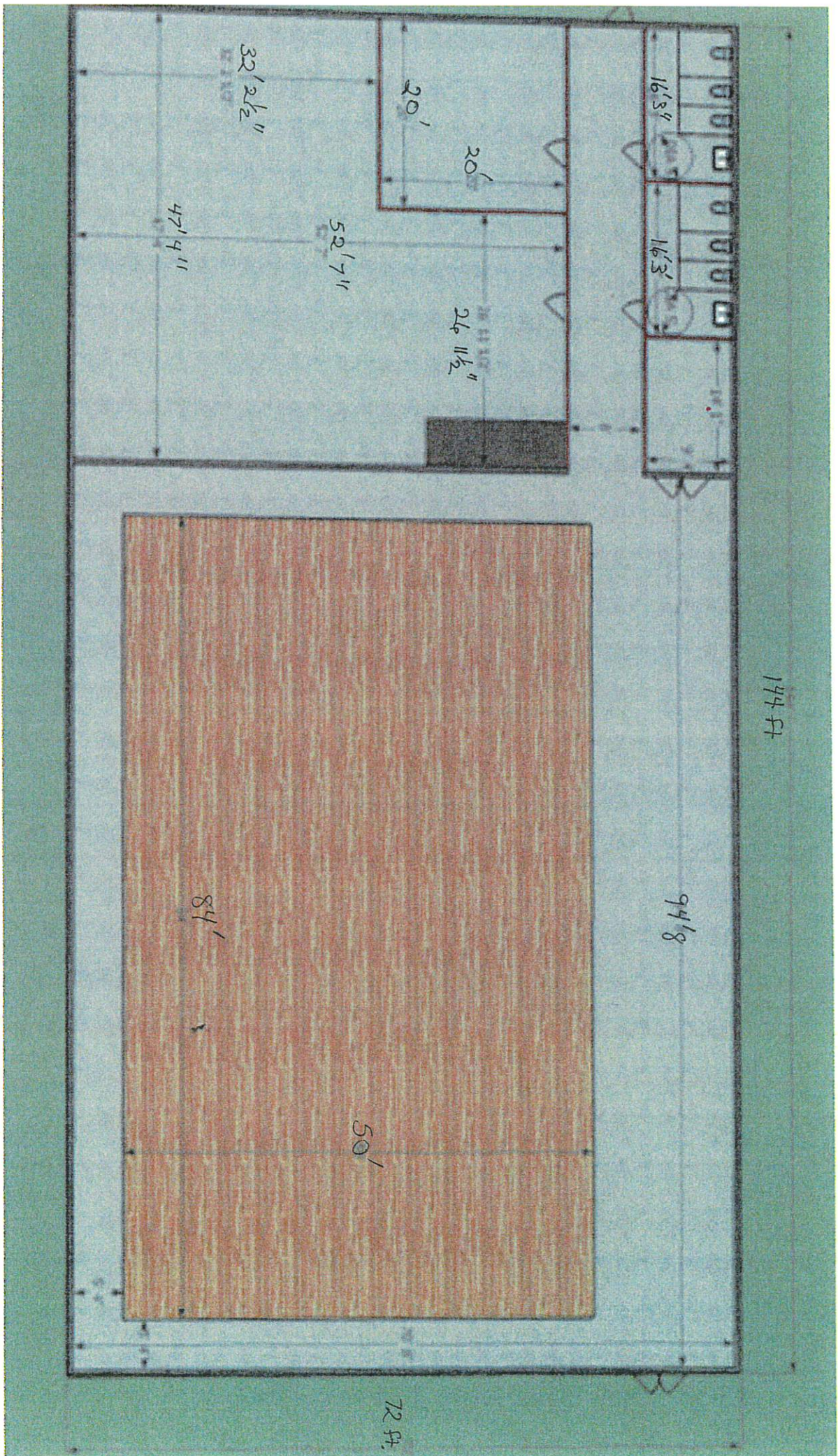


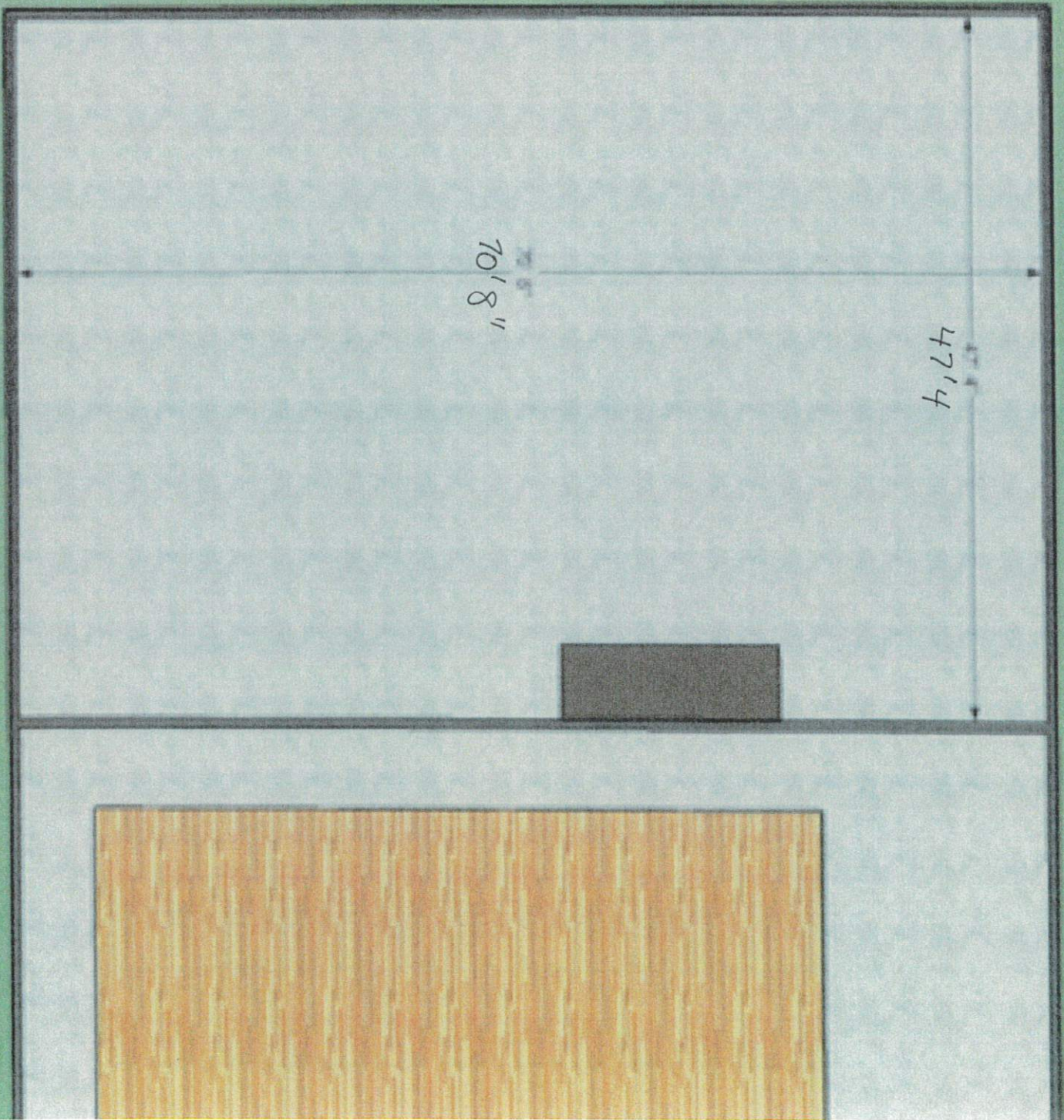
October 13, 2021
11:46 AM

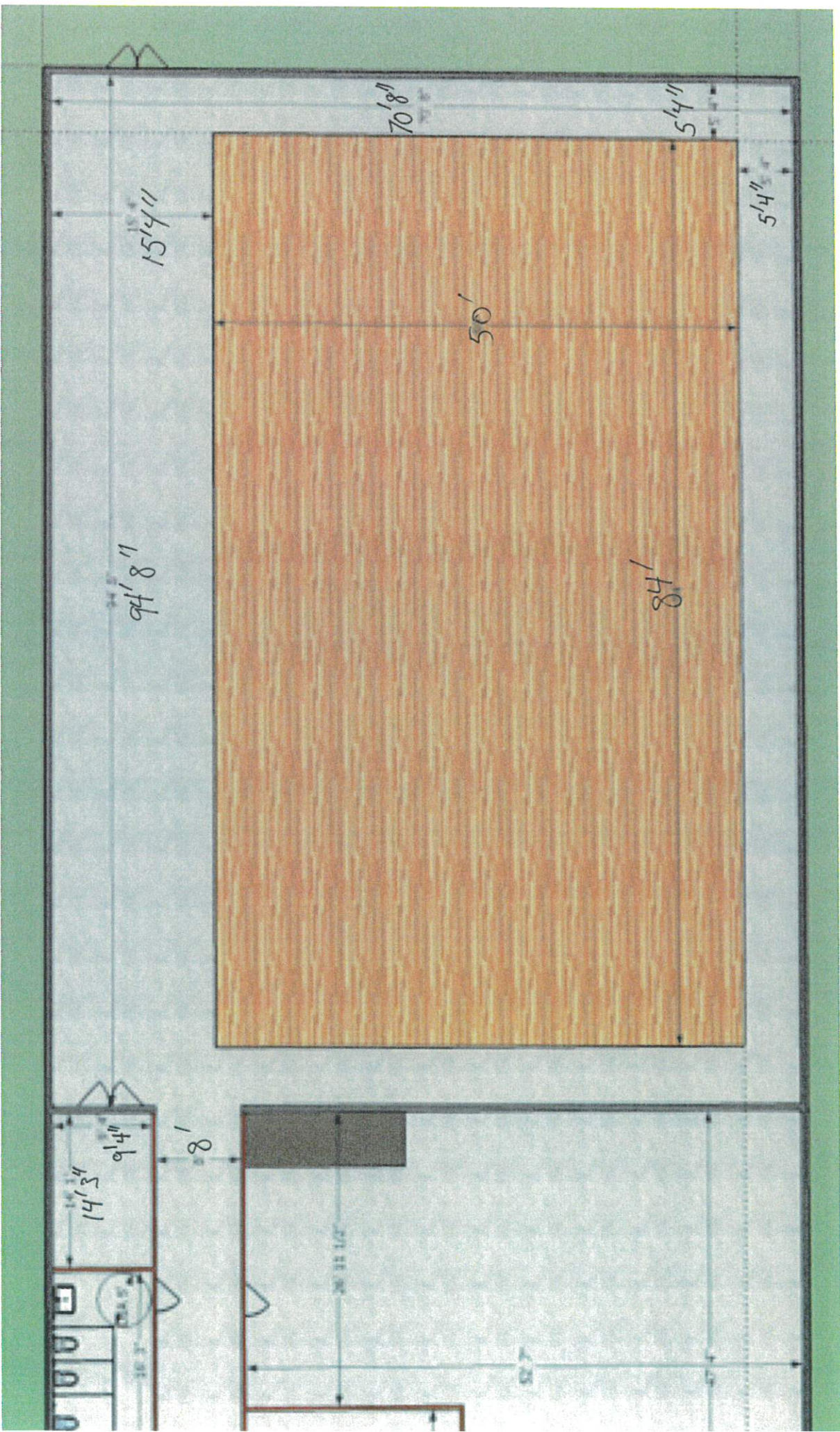
DISCLAIMER: This map is not intended for conveyances, nor is it a legal survey. The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments.

1:655









94' 8"

15' 4"

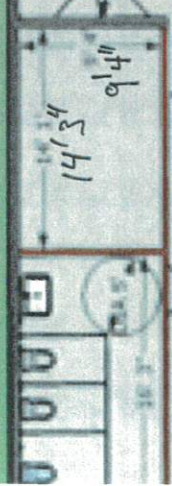
70' 8"

5' 4"

5' 4"

50'

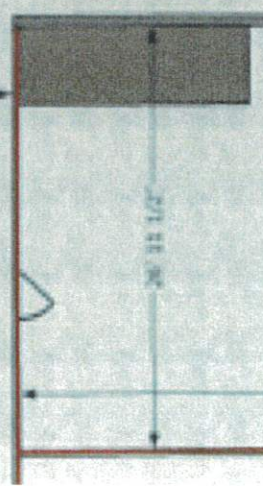
84' 1"



14' 3"

9' 4"

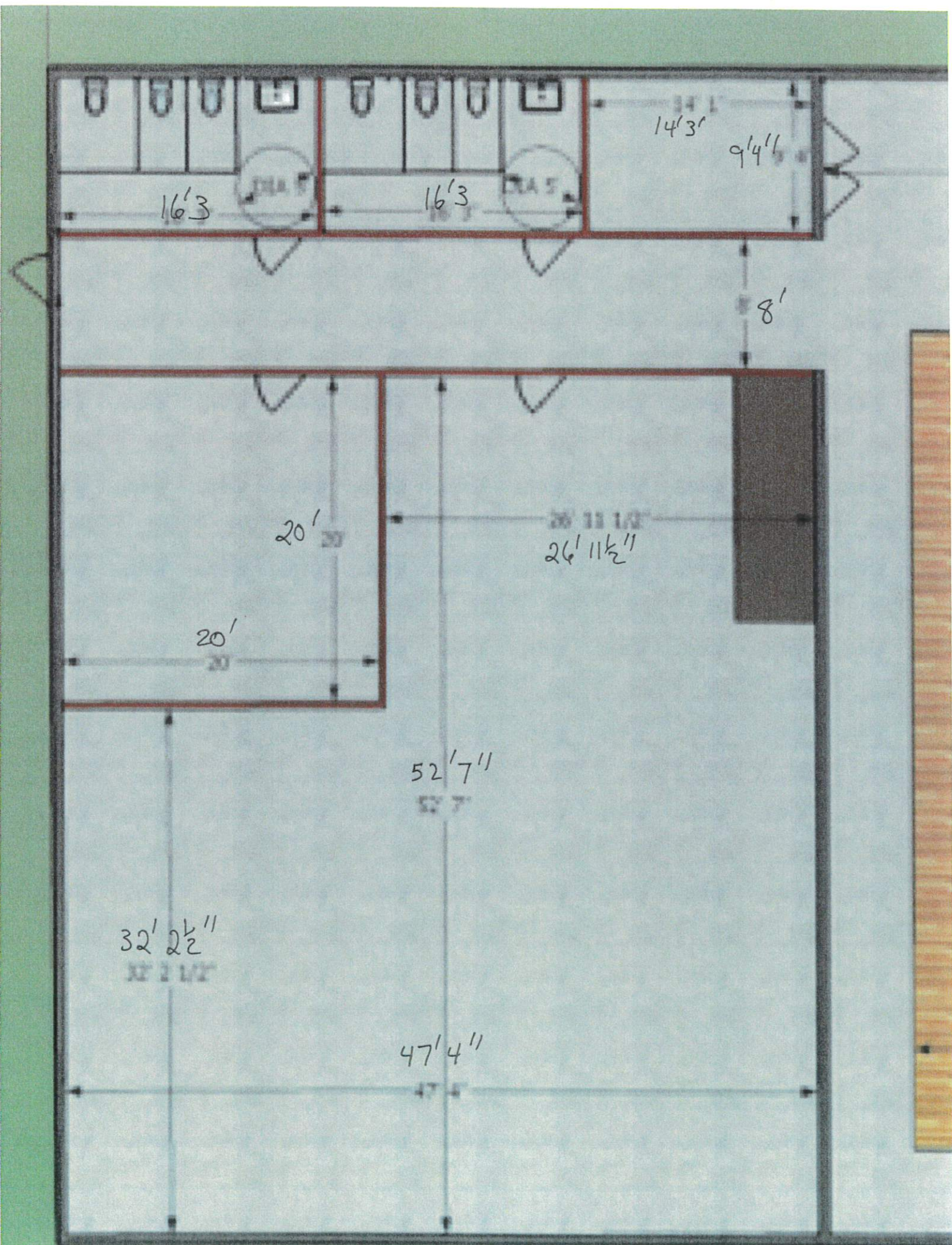
8'



36' 3"

5' 4"

DOOR



16'3"

16'3"

14'3"

9'4"

8'

20'3"

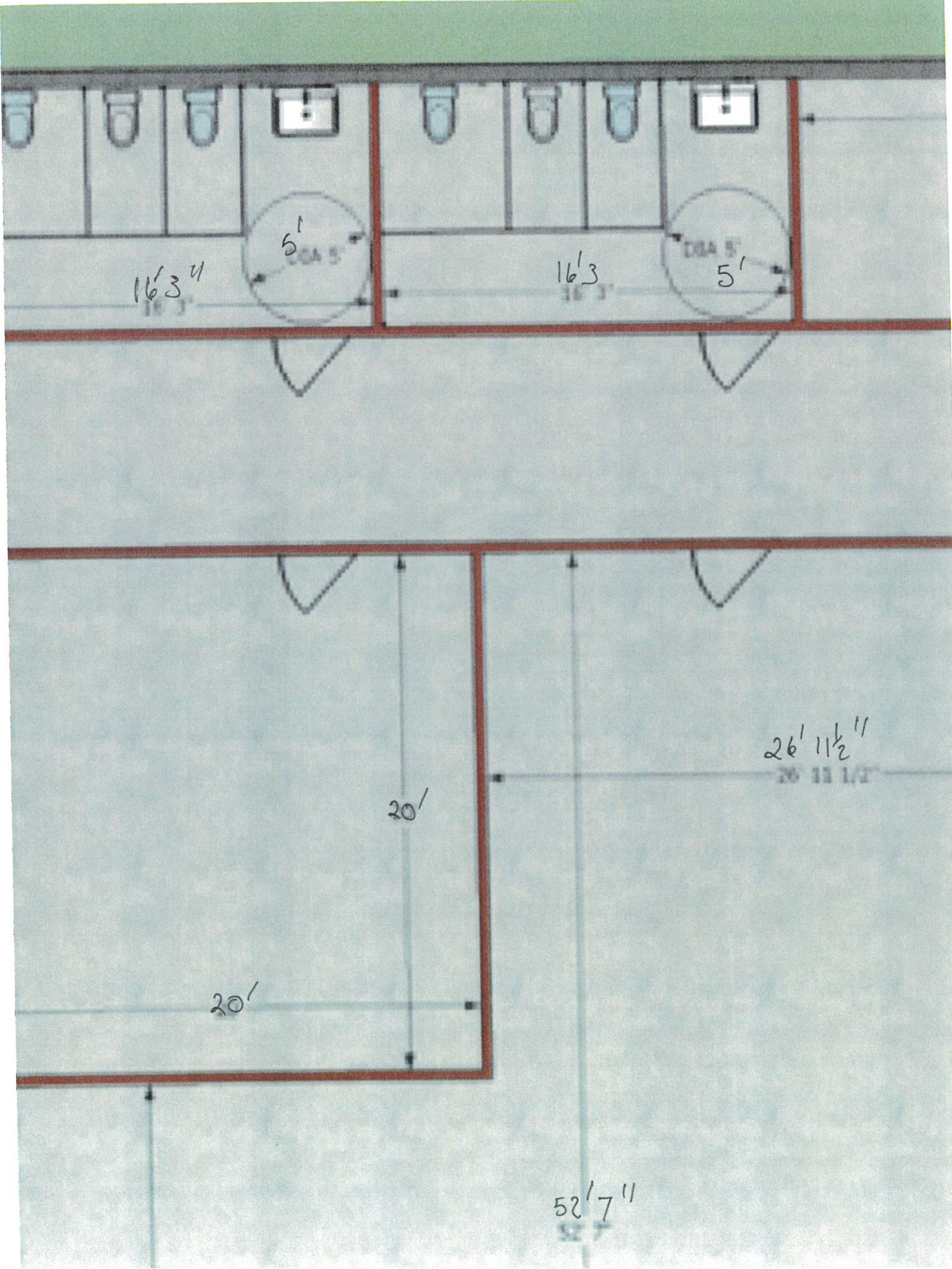
26'11 1/2"

20'

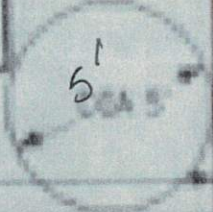
52'7"

32'2 1/2"

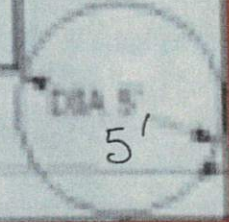
47'4"



16' 3 1/4"



16' 3"



26' 11 1/2"

20'

20'

52' 7"



Sandhills Public School

Project Finance: Lease Purchase

District Financial Information

2021-22 Valuation \$438,482,318
Tax Revenue Per Cent \$ **43,848**

2021-22 Levy:

General	0.570148
Building	0.034554
Bond	<u>0.000000</u>
Total	0.604702

Depreciation Fund (21-22)	\$246,782	
Special Building Fund (21-22)	\$239,811	+ \$150,000 (21-22)

Project Finance: Lease Purchase

Lease Purchase: Guidelines (Current)

- Maturity length of up to 7 years by statute
- Utilizes Special Building Fund for debt service (max of 14 cents)
- Can be issued by a majority vote of the board
- Lease agreement with limited number of institutions
 - (one bank or group of banks)
- Leasing corporation would be formed as a non profit
- Lease agreement/payment is secured by district
- Upon final lease payment the project is owned by the district

Lease Purchase: Advantages

- No early payment penalties (no 5 yr call protection)
- Flexibility regarding structure (semi annual, monthly)
- Can apply additional equity payments
- District would be considered 'strong credit'
- More control by issuer (i.e. closing time, rate lock)
- Less overall interest due to shorter maturity
- Higher annual levy impact for similar sized projects with longer maturity (i.e. bond issue)



Lease Purchase: Financial Implications

Maturity Length

7 years

Amount

\$600,000

Current interest rates 7-Year*

2.0 - 2.5%

*Preliminary based on current market rates. District's desire to place locally versus a competitive process may impact rate.

Annual Amortization Schedule

Annual Schedule	Beginning Balance	Interest	Principal	Ending Balance
1	\$600,000.00	\$14,093.99	\$79,428.01	\$520,572.04
2	\$520,572.04	\$12,085.39	\$81,436.61	\$439,135.47
3	\$439,135.47	\$10,025.96	\$83,496.04	\$355,639.49
4	\$355,639.49	\$7,914.49	\$85,607.51	\$270,032.03
5	\$270,032.03	\$5,749.61	\$87,772.39	\$182,259.69
6	\$182,259.69	\$3,529.98	\$89,992.02	\$92,267.73
7	\$92,267.73	\$1,254.22	\$92,267.78	\$0.00

Annual Payment Approx. = \$93,522

Lease Purchase: Financial Implications

Maturity Length

7 years

Amount

\$600,000

Annual Payment

\$93,522

Levy Impact Calculation

$\$93,522 / \$43,848 = 2.13$ cent levy required

Project Amount	Project Length	Levy Impact	Tax Impact**
\$600,000	7-Year	0.021329	\$21.32

**Per \$100,000 of valuation.

Would need to designate about 3.6 cents annually of the Special Building Fund levy for debt service on this project.

Timeline

January 2022

Pass Resolutions (Set Not to Exceed Amount)

Prepare Offering Circular - Request for Lender
(Includes Project Costs)

Share Information with Banks

Select Bank (Consider Terms)

Finalize Financing (Lock the rate)
about 30 days after resolution



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