

New Avon Grove High School

September 12, 2019 - Act 34 Public Hearing

Avon Grove High School Auditorium, 6:30 p.m.

INTRODUCTION

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Solicitor, Avon Grove School District





Act 34 Hearing Agenda

1 Purpose, Procedures for Public Comment & Legal Requirements

2 Project History

3 Areas of Need

4 Options Considered

5 Project Description

6 Financial Information

7 Public Comment



Purpose of Hearing & Procedure for Public Comment

- To comply with the Pennsylvania School Code.
- To provide an opportunity for the public to again learn about the project.
- To obtain public comment.

- All interested individuals will have an opportunity to speak in the order in which they signed-up.
- Each speaker is limited to 3 minutes.
- Additional written comments can be submitted to the Secretary of the School Board by October 14 at 4 p.m.
- When acknowledged, please approach the microphone, state your name and where you live in the community.



Legal Requirements

- Public Notice of Act 34 Hearing publicized in the Daily Local newspaper on August 19 & 22, 2019.
- Availability of information provided at the District Administrative Office on August 23, 2019.



PROJECT HISTORY NEED FOR PROJECT OPTIONS CONSIDERED

M. Christopher Marchese, Ed.D.



Avon Grove School District



Avon Grove School District (AGSD) is located in West Grove, Chester County, in southeastern Pennsylvania. The District includes the townships of Franklin, London Britain, London Grove, New London and Penn, along with the boroughs of Avondale and West Grove.

AGSD is a K-12 public school system that educates over 5,000 students in four schools: Penn London Elementary School (K-2); Avon Grove Intermediate School (3-6); Fred S. Engle Middle School (7-8); and Avon Grove High School (9-12).

The core mission and focus of AGSD's strategic planning is to foster a learning environment for all students to be exceptionally well-prepared to succeed and lead full and meaningful lives.



PROJECT HISTORY

2007

A 153-acre parcel of land is acquired at the corner of Old Baltimore Pike and Jennersville Road/Route 796. The intent is to address the dramatic growth of the District by constructing a school facility.

2008

Plans are put on hold due to the economic downturn.

THE SITE, PREVIOUSLY REFERRED TO AS THE SUNNYSIDE ROAD PROPERTY, IS NOW KNOWN AS THE JENNERSVILLE CAMPUS.



Feasibility Study

September 2014

The Avon Grove School Board hired Gilbert Architects to conduct a feasibility study of all District facilities.

February 2015

The feasibility study was completed and findings and recommendations were presented to the Board of School Directors.

IN JUNE 2015, PLAN CON A & B WERE SUBMITTED TO THE PENNSYLVANIA DEPARTMENT OF EDUCATION.

The feasibility study concludes many systems in the high school are beyond life span and require significant updates or repairs. Educational needs exceed facility's ability to serve in several core areas.



STRATEGIC INTENT

March 2016

The Avon Grove Board of School Directors approves the Strategic Intent for Facilities.

April 2016

- A Facilities Input Group (FIG) was formed and advertised.
- Community applications were reviewed and participants were selected.



The Facilities Input Group (FIG)



The Facilities Input Group (FIG) was comprised of 15 individuals - eight community members, four AGSD administrators and three Board members - in an effort to represent a sample of various stakeholder groups within the District. The purpose of the group was to develop a non-binding recommendation for a path forward for the District's facilities and to deliver a plan that is aligned with the District's mission and vision.

FACILITIES INPUT GROUP

May 2016

- The initial FIG meeting occurred.
- Monthly meetings continued (with the exception of summer) until a non-binding recommendation was developed.

September 2017

- The non-binding FIG recommendation was presented to the Board of School Directors.
- The recommendation aligns with District's mission and vision and is consistent with the Strategic Intent that was approved in March 2016.



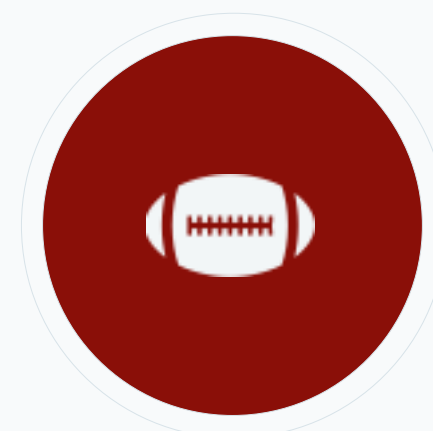
Need for Project



Teaching & Learning



Functional Capacity



Co-Curricular & Athletic Limitations

Need for Project

The existing Avon Grove High School (AGHS) building was constructed in 1957. Over the years, there have been minor renovations. Due to age, the major systems are now in need of either total replacement or upgrades. These include the mechanical heating system, electrical and plumbing.

The AGHS building does not meet the District's educational needs.

- The building does not have enough classrooms for the projected enrollment increase. Currently, modular classrooms are being utilized.
- Innovative models, including spaces for STEM and Maker Spaces, are not available. These spaces prepare students for 21st Century learning and workplace needs.
- More flexible spaces are required to accommodate changes in curriculum and instructional delivery methods, including small group spaces for personalized learning.

- AGHS has the lowest square footage per student in the southeastern region.
- Space is needed for expanded enrollment in specialized programs.
- Space is needed to fully support students in performing arts, and curricular and co-curricular athletics activities.
- Space is needed to fully support community access and usage.



LISTENING POSTS

October 2017

- The Avon Grove School Board hired Foster, Jacobs and Johnson Consultants (FJJ/ICS) to engage the community in listening posts.
- The purpose of the listening posts were to solicit feedback from stakeholders regarding the FIG recommendation and other factors the Board should consider.

January 2018

- FJJ/ICS provides final report to the Avon Grove Board of School Directors.
- The Board of School Directors begin deliberations at the Committee of the Whole meeting.



January 2018

- Using the Committee of the Whole process, monthly live streamed public work sessions were conducted to obtain consensus on the best option to implement.
- Four options were reviewed by the Avon Grove School Board. The options include FIG recommendation (1A) and two other options (1C & 1D), along with an additional option introduced by the Board in January 2018 (4A).

BOARD DELIBERATIONS



Options Reviewed by Board of School Directors

OPTION 1A

- Build a new high school at the Jennersville Campus
- Renovate the current high school and convert into a middle school for grades 6-8
- Realign elementary grades as K-1 at PLES and 2-5 at AGIS
- Existing middle school building to be leased, sold, abandoned or demolished

OPTION 1C

- Build a new middle school for grades 6-8 at the Jennersville Campus
- Renovate and connect/combine the current high school and middle school buildings to become a new high school campus
- Realign elementary grades as K-1 at PLES and 2-5 at AGIS

OPTION 1D

- Renovate and expand the current high school (existing location)
- Renovate and expand the current middle school to accommodate grades 6-8 (existing location)
- Realign elementary grades as K-1 at PLES and 2-5 at AGIS

OPTION 4A

- Renovate and expand the current high school, middle school and elementary school buildings
- Expand AGIS
- (No grade realignments required)

April 2018

The Avon Grove School Board unanimously adopts Resolution 18-13, which includes building a new Avon Grove High School at the Jennersville Campus.

FACILITIES RESOLUTION



PATHWAY TO NEW AVON GROVE HIGH SCHOOL



June/July 2018

The Avon Grove School Board approved contracts with D'Huy Engineering as Construction Manager and KCBA as Principal Architect.

August 2018

The Integration Committee formed and began its work, meeting weekly through December 2018.



September 2018 November 2018

The Avon Grove School Board approves the proposed project budget target and schematic design.

- The Avon Grove School Board approved a new parameters resolution allowing for the authorization of bond financing not to exceed \$139 million dollars.
- Bond financing initiated (first of four bonds) resulting in \$40 million of proceeds.

PATHWAY TO NEW AVON GROVE HIGH SCHOOL



PATHWAY TO NEW AVON GROVE HIGH SCHOOL

April 2019

The Integration Committee completed the value engineering phase.

May 2019

The design development phase was completed on May 31, 2019.



June 2019

Avon Grove School District
submitted plans to Penn
Township.

Present

Avon Grove School District
is preparing construction
documents.

PATHWAY TO NEW AVON GROVE HIGH SCHOOL



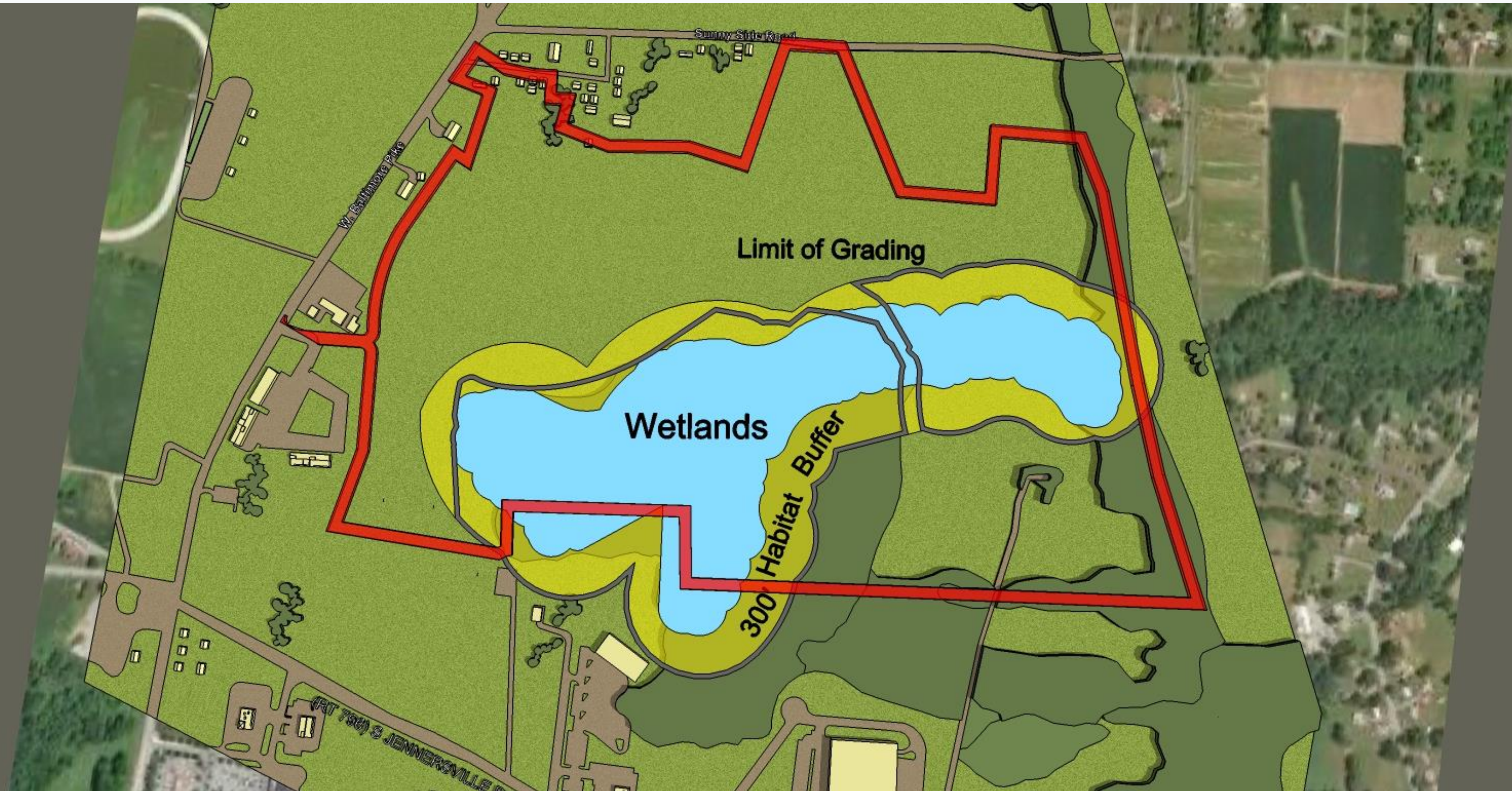
PROJECT DESCRIPTION

FINANCIAL INFORMATION

Mr. Michael Strohecker, AIA



Avon Grove High School



Avon Grove High School



Avon Grove High School



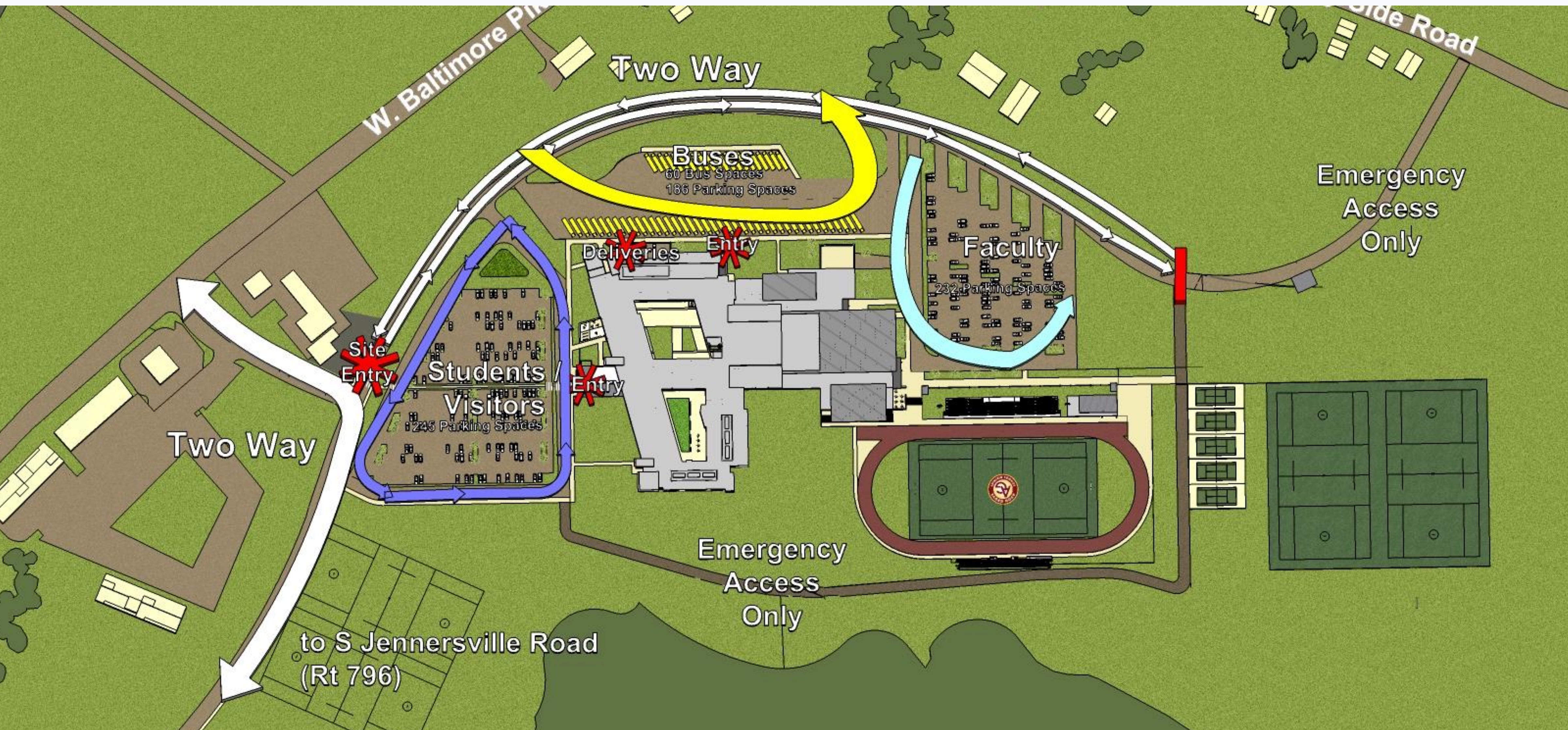
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Avon Grove High School



Avon Grove High School

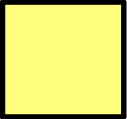
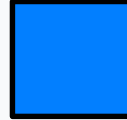
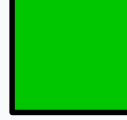




-  **Classrooms, Special Education Classrooms, Small Group Instruction**
-  **Administration and Faculty Spaces**
-  **Art, Family and Consumer Science, Music, Learning Commons and Tech Ed**
-  **Cafeteria, Gymnasium, Auxiliary Gym, Auditorium and Athletic Spaces**
-  **Support Spaces**

Floor Plans have been removed for Act 44 regulation.

FIRST FLOOR PLAN

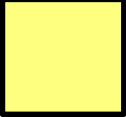

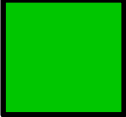

AVON GROVE HIGH SCHOOL

-  **Classrooms, Special Education Classrooms, Small Group Instruction**
-  **Administration and Faculty Spaces**
-  **Art, Family and Consumer Science, and Tech Ed**
-  **Auditorium Balcony**
-  **Support Spaces**

Floor Plans have been removed for Act 44 regulation.

SECOND FLOOR PLAN

AVON GROVE HIGH SCHOOL

-  **Classrooms, Special Education Classrooms, Small Group Instruction**
-  **Administration and Faculty Spaces**
-  **Tech Ed**
-  **Support Spaces**

Floor Plans have been removed for Act 44 regulation.

THIRD FLOOR PLAN

AVON GROVE HIGH SCHOOL



MAIN ENTRANCE

AVON GROVE HIGH SCHOOL



MAIN RECEPTION AREA

AVON GROVE HIGH SCHOOL



MAIN STREET

AVON GROVE HIGH SCHOOL



TYPICAL CLASSROOM
AVON GROVE HIGH SCHOOL



COURTYARD 1

AVON GROVE HIGH SCHOOL



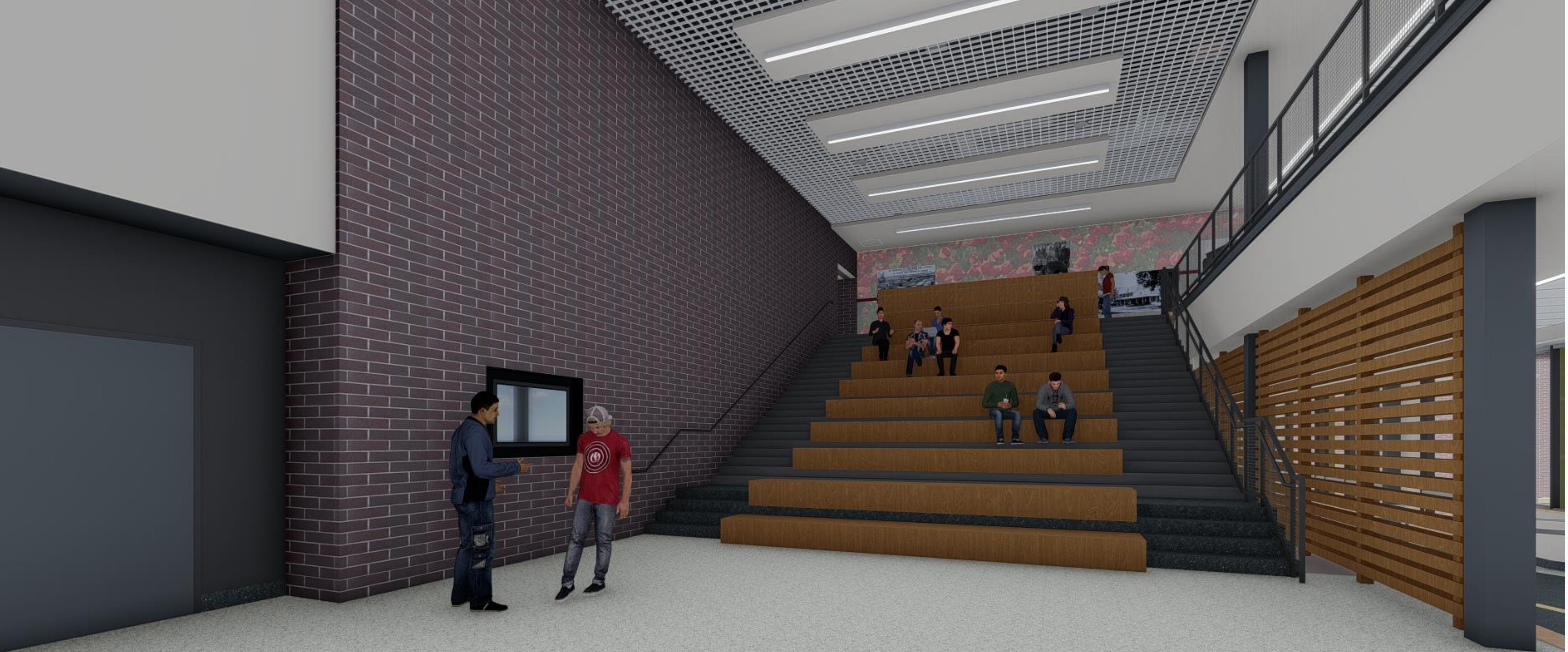
COURTYARD 2

AVON GROVE HIGH SCHOOL



LEARNING COMMONS

AVON GROVE HIGH SCHOOL



COMMONS

AVON GROVE HIGH SCHOOL



CAFETERIA

AVON GROVE HIGH SCHOOL



GYMNASIUM

AVON GROVE HIGH SCHOOL



BUS LOOP ENTRANCE

AVON GROVE HIGH SCHOOL

Maximum Construction Costs

Item	PDE PlanCon Form Location	Cost
Construction Costs (Includes Site Development, Insurance, Fees, and Equipment)	D20, Line A	\$93,422,976
Minus Site Development Costs	D20, Line B4	\$12,421,187
Act 34 Maximum Building Construction Cost	D20, Line C	\$81,001,789
Maximum Building Expenditure Standard		\$90,063,506

The Act 34 maximum building construction cost is below the maximum building expenditure standard.

Avon Grove School Board Adopted the Act 34 maximum building cost of \$81,001,789 at its August 12, 2019 meeting.

Total Project Cost

Item	PDE PlanCon Form Location	Cost
Construction Costs (Includes Site Costs, Insurance, Fees, and Equipment)	D02, Line F	\$102,906,553
Plus Additional Construction Related Costs & Financing Costs (Testing, Permits and Fees)	D03, Lines G9+H10	\$11,662,184
Total Project Costs	D03, Line I	\$114,568,737 *

**Includes site acquisition costs from 2007.*

Avon Grove School Board adopted the Act 34 maximum project cost of \$114,568,737 at its August 12, 2019 meeting.

ALTERNATIVES CONSIDERED

EFFECT OF PROJECT COSTS ON TAXES

INDIRECT COSTS

Mr. John C. Frey, Public Financial Management
Mr. Ken Phillips, RBC Capital Markets



Financial Alternatives Considered

4 Financing Alternatives

- Cash or a Short-Term Loan
- General Obligation Bonds (GOB)
- Local Authority Issue
- Financing through State Public School Building Authority (SPSBA)

General Obligation Bonds were chosen as the best method to finance the project.

TABLE I
Avon Grove School District
Comparison of Various Methods of Financing
High School

<u>Costs</u>	<u>General Obligation</u>	<u>Local Authority</u>	<u>SPSBA</u>
Costs of Construction: High School (1)	113,050,192	113,050,192	113,050,192
Financing Costs: (2)			
Bond Discount	872,989	885,000	895,000
Legal Fees	219,169	245,000	227,000
Financial Advisor	235,072	265,000	265,000
Printing & Miscellaneous	42,659	55,000	55,000
Rating/Insurance & CUSIP	140,892	165,000	165,000
Paying Agent	<u>7,764</u>	<u>12,000</u>	<u>12,000</u>
Total Requirements	114,568,737	114,677,192	114,669,192
Less:			
Interest Earned (3)	1,901,943	1,903,000	1,903,000
Bond Premium (3)	<u>7,196,794</u>	<u>7,199,192</u>	<u>7,196,192</u>
Size of Bond Issue(s)	105,470,000	105,575,000(4)	105,570,000(5)

Effect of Project Costs on Taxes

Avon Grove School District

ACT 34 - TABLE IIB

Millage Requirement Study - Series of 2018, \$36,245,000, Proposed Series of 2020, \$47,990,000 and Proposed Series of 2021, \$12,485,000

Date	Total Net Outstanding D/S (1)	Series 2018 \$36,245,000 Par Amount Debt Service (2)	Series 2020 \$47,990,000 Par Amount Debt Service (3)	Series 2021 \$12,485,000 Par Amount Debt Service (4)	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill (5)	Total Mills Required	New Mills	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit) (6)
2015	4,573,814					4,573,814	1,845,000	2.48	0.000	2.44	4,499,955	-73,859
2016	3,693,812					3,693,812	1,845,000	2.00	0.000	2.44	4,499,955	806,143
2017	2,935,443					2,935,443	1,845,000	1.59	0.000	2.44	4,499,955	1,564,512
2018	2,933,412					2,933,412	1,845,000	1.59	0.000	2.44	4,499,955	1,566,543
2019	2,926,261	660,876				3,587,137	1,850,000	1.94	0.360	2.80	5,178,150	1,591,013
2020	2,923,160	1,645,745				4,568,905	1,850,000	2.47	0.360	3.16	5,844,150	1,275,245
2021	2,931,500	1,645,641	2,296,320		345,716	6,527,745	1,855,000	3.52	0.360	3.52	6,527,745	0
2022	2,248,608	2,327,769	2,402,794	513,441	297,067	7,195,545	1,855,000	3.88	0.360	3.88	7,195,545	0
2023	920,245	3,652,400	2,402,689	868,119		7,843,453	1,855,000	4.23	0.350	4.23	7,844,795	1,342
2024	713,368	3,858,100	2,402,581	870,556		7,844,605	1,855,000	4.23	0.000	4.23	7,844,795	190
2025	709,554	3,865,850	2,402,469	862,604		7,840,477	1,855,000	4.23	0.000	4.23	7,844,795	4,318
2026	709,975	3,862,550	2,402,363	864,925		7,839,813	1,855,000	4.23	0.000	4.23	7,844,795	4,982
2027	714,503	3,859,250	2,402,238	865,650		7,841,640	1,855,000	4.23	0.000	4.23	7,844,795	3,155
2028	713,284	3,860,000	2,402,088	869,175		7,844,546	1,855,000	4.23	0.000	4.23	7,844,795	249
2029	0	4,575,625	2,401,938	862,400		7,839,963	1,855,000	4.23	0.000	4.23	7,844,795	4,832
2030	0	4,574,750	2,401,788	865,325		7,841,863	1,855,000	4.23	0.000	4.23	7,844,795	2,932
2031	0	4,574,375	2,401,638	867,800		7,843,813	1,855,000	4.23	0.000	4.23	7,844,795	982
2032	0	4,574,000	2,401,488	864,900		7,840,388	1,855,000	4.23	0.000	4.23	7,844,795	4,407
2033	0	4,573,125	2,401,331	866,063		7,840,519	1,855,000	4.23	0.000	4.23	7,844,795	4,276
2034	0	768,750	5,945,250	1,130,250		7,844,250	1,855,000	4.23	0.000	4.23	7,844,795	545
2035	0		6,713,875	1,127,375		7,841,250	1,855,000	4.23	0.000	4.23	7,844,795	3,545
2036	0		6,717,125	1,122,750		7,839,875	1,855,000	4.23	0.000	4.23	7,844,795	4,920
2037	0		6,713,250	1,131,000		7,844,250	1,855,000	4.23	0.000	4.23	7,844,795	545
2038	0		6,716,625	1,127,000		7,843,625	1,855,000	4.23	0.000	4.23	7,844,795	1,170
2039	0		6,716,500	1,125,875		7,842,375	1,855,000	4.23	0.000	4.23	7,844,795	2,420
2040	0		6,717,250	1,127,375		7,844,625	1,855,000	4.23	0.000	4.23	7,844,795	170
2041	0		6,713,250	1,131,250		7,844,500	1,855,000	4.23	0.000	4.23	7,844,795	295
2042	0		6,713,750	1,127,500		7,841,250	1,855,000	4.23	0.000	4.23	7,844,795	3,545
2043	0					0	1,855,000	0.00	0.000	4.23	7,844,795	7,844,795
2044	0					0	1,855,000	0.00	0.000	4.23	7,844,795	7,844,795
TOTAL	29,646,938	52,878,806	90,788,597	20,191,333	642,783	192,862,890			1.790			

(1) Annual Net Debt Service for Series of 2012, 2012A (refunded the 2007A issued to purchase land for the project), 2014, and 2015 Bonds.

(2) Series of 2018, \$36,245,000 dated December 20, 2018. Average Coupon 4.75%, TIC 3.39%. Local Effort 100%.

(3) Proposed Series of 2020, \$47,990,000 dated June 1, 2020. Average Coupon 5.00%, TIC 4.33% (current rates +75bps). Local Effort 100%.

(4) Proposed Series of 2021, \$12,485,000 dated June 1, 2021. Average Coupon 5.00%, TIC 4.07% (current rates +75bps). Local Effort 100%.

(5) Estimated collected mill is worth \$1,855,000 beginning FY2020-21 (per the administration July 2019)

(6) Budget surplus (about \$6.8MM) will be transferred to capital reserve to use for phasing in mills for the projects.

RBC Capital Markets

Indirect Costs for the Project

- It is assumed that there will be indirect costs associated with a newer, larger building.
- Current AGHS staff members will be transferred to the new building upon completion. Current teaching staff, instructional assistants and office staff will be sufficient to meet anticipated needs unless any program changes are made and/or if significant growth in student enrollment occurs.
- Teaching materials and supplies used for the current high school will be transferred to the new building. No additional cost are anticipated unless any program changes are made and/or if significant growth in student enrollment occurs.
- Fuel and utilities are anticipated to be \$123,341.
- Increased costs related to maintenance/custodial for the building will be approximately \$330,781 per year.
- No changes in pupil transportation costs are anticipated as a result of the new high school.
- The insurance premium to cover the new high school is estimated to be \$54,000 per year.
- There are savings in maintenance and operational costs expected due to increased efficiency of the building and new equipment installation versus the efficiency and age of the existing building. Additionally, there will be savings as a result of taking the modular classrooms out of operation.

PUBLIC COMMENT

Andrew D.H. Rau, Esq.
Solicitor, Avon Grove School District

