THE PATH TO THE NEXT CAPITAL INVESTMENT PLAN (CIP) & UPDATE ON 2017 CIP PROJECT DELIVERY

Report to The Charlotte-Mecklenburg Board of Education | 25 May 2021
Agenda

- 2017 Capital Investment Plan (CIP) Project Update
- Information Shared and Feedback Received
- The Path to the Next Capital Investment Plan
  - The Comprehensive Capital Needs Assessment
  - Agreements to Date
  - Current and Future Considerations
- Equity and the Next Capital Investment Plan
  - Practical Application
- Initial Approach to Project Ranking
- Next Steps in the Process
- Action Items
The Current CIP

West Charlotte Replacement High School
As of March 2021, MWSBE participation for design and construction was 45.56%, accounting for a $293.3MM total spend.
2017 Capital Investment Plan Update

OPENED 2020 - 2021

Montclaire ES
Collinswood replacement K-8
Rea Farms STEAM K-8 (final 2013 CIP project)
Harding University HS renovation phase
2017 Capital Investment Plan Update

IN PROGRESS / UNDER CONSTRUCTION

- Briarwood replacement ES (2021)
- Language Immersion – North K-8 (2021)
- Nations Ford/Sterling/Steele Creek relief ES (2021)
- Sharon ES addition/renovation (2021)
- South Academy of International Languages K-8 (2021)
- West Mecklenburg HS gymnasium phase (2021)
2017 Capital Investment Plan Update

IN PROGRESS / UNDER CONSTRUCTION

- Harding University/South Mecklenburg/Olympic Career & Technical Education renovations (2021/2022)
- Bain/Lebanon Road/Piney Grove relief ES (2022)
- East Mecklenburg HS addition/renovation (2022)
- Lansdowne replacement ES (2022)
- Olympic relief HS (2022)
- Shamrock Gardens replacement ES (2022)
- West Charlotte replacement HS (2022)
2017 Capital Investment Plan Update

IN PROGRESS / DESIGN & BIDDING

E. E. Waddell HS repurpose (2022)
Elon Park/Hawk Ridge/Polo Ridge relief ES (2023)
Garinger HS addition/renovation (2023)
Hidden Valley/J.W. Grier/Newell relief ES (2023)
Lincoln Heights ES repurpose (2023)
Mountain Island K-8 ES addition/renovation (2023)
Windsor Park/Winterfield/Idlewild relief ES (2023)
John Taylor Williams 7-12 renovation (2024)
Ardrey Kell/South Mecklenburg relief HS (2024)
• Roman Catholic Diocese of Charlotte (RCDC) offered CMS-preferred site via RFP in May 2019

• A substantial portion of 7000 Endhaven Lane, this site of +/- 80 gross total acres awarded to Woodfield Investments, LLC (Woodfield)
  • Woodfield negotiated a Purchase and Sale Agreement (PSA) with RCDC

• Successfully approached Woodfield Development and negotiated +/- 55 gross total acres on which to construct the relief HS
Mecklenburg County Board of Commissioners allocated $27.5MM in June 2020 for acquisition

Negotiated acquisition cost to $26MM prior to initiating exchange agreements with Woodfield and Charlotte Water

Exchange includes +/- 20 acres across from Ardrey Kell HS

Final acquisition price $14.995MM

Excess capacity requested to be held in reserve

No brokers involved in transactions
Ardrey Kell/
South Mecklenburg
Relief HS Exchange

• Development Agreement in process for both sites
• Both sites must be rezoned
  • First virtual community meetings 3 June 2021
    • 5:30p High School Site
    • 7p Elementary School Site
    • Brittany.Lins@alexanderricks.com to RSVP
• Closing targeted for December 2021
• Construction start date March 2022
• School opens to students August 2024
• Designs already in process
  • Field Development Agreement
Ardrey Kell/
South Mecklenburg
Relief HS
Ardrey Kell/ South Mecklenburg Relief HS
Ardrey Kell/
South Mecklenburg
Relief HS
Ardrey Kell / South Mecklenburg Relief HS
Elon Park/ Hawk Ridge/ Polo Ridge Relief ES
Elon Park/
Hawk Ridge/
Polo Ridge
Relief ES
2017 Capital Investment Plan Update

BALANCE OF PROJECTS

- Bruns Avenue replacement ES (2024)
- Northwest School of the Arts 6-12 addition/renovation (2024)
- South Mecklenburg HS addition/renovation (2025)
Information Shared and Feedback Received

SPECIFIC TO 2017 CIP PROJECTS SINCE LAST UPDATE TO CMBE

- Project Information Meetings
  - Bain/Lebanon Road/Piney Grove ES relief
  - Lansdowne ES
  - Shamrock Gardens ES
  - East Mecklenburg HS
  - Garinger HS
  - West Charlotte HS
- Bond Oversight Committee
- Facilities Subcommittee of the Equity Committee
- Facilities & Operations Committee
Information Shared and Feedback Received

SPECIFIC TO THE COMPREHENSIVE CAPITAL NEEDS ASSESSMENT SINCE LAST UPDATE TO CMBE

- Facilities Subcommittee of the Equity Committee
- Bond Oversight Committee
- Facilities & Operations Committee
- Mecklenburg County Park and Recreation Department
- City of Charlotte Departments
- MTP 2050 (Advisory Council Participation)
The Path to the Next Capital Investment Plan
AGREEMENTS SINCE APRIL 2020

- We will modify program/standards, not individual projects

- We will use 25 students per classroom for high school planning purposes; 20 students per classroom for all others

- We will use the following as our classroom count standards:
  - 45 classroom elementary schools
  - 63 classroom P/K-8 schools
  - 54 classroom middle schools
  - 100 classroom high schools

- We will not consider natatoriums as a baseline standard for high schools
The Path to the Next Capital Investment Plan

ASSUMPTIONS  METHODOLOGIES  STANDARDS

These may be delineated as External or Internal Factors for Consideration
EXTERNAL FACTORS WHICH MUST BE CONSIDERED

• Cost and availability of land
• Cost of construction and availability of materials
• State and/or federal capital/infrastructure monies
• Available capacity of our capital funding partner(s)
• Timing of Mecklenburg County general obligation bond referendum
EXTERNAL FACTORS WHICH MUST BE CONSIDERED

• Impact of COVID on learning and teaching
  • Calendar
  • School day
  • Virtual and hybrid environments
  • Technology and infrastructure
  • Buildings and building components
  • Classroom functionality
  • Remote teacher workspaces
  • Indoor air quality (IAQ) factors
INTERNAL FACTORS WHICH MUST BE CONSIDERED

- Student-weighted staffing
- Enhanced building utilization (float)
- Portables as temporary or permanent capacity
- Desired number of lunch periods per day
- Standardized renovation lifecycle(s)
- Grade configurations (ES, K-8, MS, 6-12, HS)
- Pre-kindergarten expansion
INTERNAL FACTORS WHICH MUST BE CONSIDERED

- Assignment boundaries
- Population targets
- Current magnets and other choice programs
- Future magnets and other choice programs
- Technical and Vocational offerings
  - Renewable energy
The Path to the Next Capital Investment Plan

INTERNAL FACTORS WHICH MUST BE CONSIDERED

• Educational Specifications
  • Classroom size(s)
  • Administrative space(s)
  • Support space(s)
INTERNAL FACTORS WHICH MUST BE CONSIDERED

• Construction specifications
  • Typology/methodology
  • Alternative energy sources
  • “Net Zero” school buildings
INTERNAL FACTORS WHICH MUST BE CONSIDERED

- “Urban” baseline school models
- Middle and high school athletics
INTERNAL FACTORS WHICH MUST BE CONSIDERED

- Existing real estate portfolio
- Non-instructional capital projects (administrative, bus, warehouse)
Non-Instructional Capital Project
Administrative Office Exchange

- Central location, with transit connectivity
- Ability to accommodate staff functions housed at Smith Family Center and Bishop Spaugh Administrative Center
- Maximum “upside” relative to value
  - First cost
  - Deferred maintenance
  - Potential growth in asset value over time
- Acquire outside of other capital expenditures or the need to seek additional funding from Mecklenburg Board of County Commissioners
Administrative Office Exchange

• AAA Campus consists of three buildings, totaling 117,456 square feet on 11.996 acres
  • 6600 AAA Drive (71,676 sft)
  • 6623 Executive Circle (21,000 sft)
  • 6635 Executive Circle (24,780 sft)

• Midwood is a 45,087 square foot facility on 2.54 acres
  • Midwood has been leased since November 2012 to Midwood International Cultural Center, LLC (MICC)
  • Lease term extended in 2018 to June 2023
• AAA Campus was listed for sale at $9.6MM, or $81.73 per square foot

• Actual purchase price $8.3MM, or $70.66 per square foot
  • 6635 Executive Circle partially encumbered by lease to NC DMV until 2025

• Receive AAA Campus and $300,000 in exchange for the Midwood facility

• Conformity Corporation (Conformity) has served as property manager throughout term and had negotiated initial lease
  • Conformity will honor existing leases and subleases at Midwood

• No brokers involved in exchange agreement

• Closing targeted for August/September 2021

• Designer procured via RFQ
Non-Instructional Capital Project
Non-Instructional Capital Project

ASSET HAS BEEN WELL-MAINTAINED:

• 2017 – all parking areas re-paved
• 2018 – full HVAC replacement (6600)
• 2019 – full roof replacement (6600)
• 2019 – full cafeteria remodel (6600)
• 2019 – full HVAC replacement (6623)
• 2020 – full roof replacement (6623)
• 2020 – full generator replacement (6623)
The Path to the Next Capital Investment Plan

INTERNAL FACTORS WHICH MUST BE CONSIDERED

• Equity
EVOLUTION OF EQUITY AT CMS

- Equity in facilities was defined by classroom counts; custodial staffing; and other quantitative measures.

- Educational Environments Index
  - Differs from Educational Adequacy

- “Stimulation, Naturalness, Individuality”

- Requires an evaluation of the facility factors which can propel student progress, as well as those that can impede learning and teaching.
EDUCATIONAL ENVIRONMENTS INDEX

- Lack of natural daylighting in general education classrooms
- Lack of outside air capability
- Presence of “open” or “California-style” classrooms, with or without partitions/impaired lines of sight to teaching stations
- Ambient/background noise exceeds baseline
- Lighting (foot-candles/non-LED) below baseline
- Presence of directly externally-accessible (“Florida-style”) classrooms (especially PK-6)
- Presence of multiple buildings on a campus (especially PK-6)

CORE/SUPPORT SPACES AS AN EQUITY MEASURE

ATHLETICS

ACCESS TO PROGRAMS
# Equity & the Next Capital Investment Plan

<table>
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<tr>
<th>School Name</th>
<th>Sch Type</th>
<th>% of classrooms</th>
<th>% of classrooms</th>
<th>% of classrooms</th>
<th>% of classrooms</th>
<th>Exceeding baseline noise levels</th>
<th>Below baseline foot-candles/non-LED</th>
<th>Impacted lines of sight to teaching station(s)</th>
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</table>
IMPLICATIONS OF APPLYING “EQUITY” EQUITABLY

- Certain choices will render some classrooms and schools automatically “inequitable” by definition

- Application of Educational Environments Index will mean that:
  - Buildings must be replaced, or a campus master-planned, to ensure that buildings can be connected by interior corridors
  - Schools at the edges of, or even outside, the City of Charlotte may be prioritized for replacement, rather than renovation
  - Some schools which may have been considered for renovations and additions will instead be programmed as replacement projects
PRACTICAL APPLICATION:
UNIVERSITY MEADOWS ES

- Constructed 1992
- No capital program investment since
- Core undersized
- 30-year cycle indicates planning for addition/renovation
- 37 current classrooms
- 17 portable classrooms on-site
- Lack of outside air capability
- Classrooms without daylighting

RECOMMENDATION:
REPLACE UNIVERSITY MEADOWS ES ON-SITE
PRACTICAL APPLICATION:
KENNEDY MS

- Constructed 1989
- No capital program investment since
- Core undersized
- 30-year cycle indicates planning for addition/renovation
- 45 current classrooms
- 10 portable classrooms on-site
- Lack of outside air capability
- Classrooms without daylighting

RECOMMENDATION:
REPLACE KENNEDY MS ON-SITE
OTHER IMPLICATIONS

- Certain choices will guide school site sizing and selection
- Competitive athletics may be conducted differently
- No additional “comprehensive” high schools may be able to be constructed
- Delivery of magnets and other programs (like CTE)
- Affirming or redefining “baseline” standards
  - 8 CR addition or less required, school is considered “at baseline standard”
  - 9 CR addition or greater required, school is considered “below baseline standard”
## Equity & the Next Capital Investment Plan

<table>
<thead>
<tr>
<th>Site</th>
<th>Educational Environment</th>
<th>Current CR Utilization</th>
<th>10-Year CR Utilization</th>
<th>Current Core Capacity</th>
<th>10-Year Core Capacity</th>
<th>Condition</th>
<th>Lifecycle</th>
<th>External Mandates or District Initiatives</th>
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Next Steps
Questions & Comments

CONTACT INFORMATION
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