

Article 6

Construction of a new 56,000 sf elementary school off Dividence Road, including furnishings and equipment, landscaping and other site improvements

In 1998, the School Building Committee (SBC) undertook an extensive feasibility study of the elementary school needs of the Town of Reading. This study included an extensive comparison of educational program space needs compared to the classroom and core facilities of Reading's four elementary schools. A key consideration of the study was the commitment of the School Committee, as well as the insistence of the Department of Education, to eliminate the portable classrooms at Barrows and Birch Meadow Schools. This would also address the commitment to return kindergarten to each neighborhood school.

The study determined that the existing elementary schools had a maximum capacity, based on the educational program, of 1700 students. This compares to a 2002 elementary enrollment of 1940 students and a projected 2008 enrollment of between 2240 (Nesdec) and 2060 (Miser).

The study also evaluated four and five school solutions to address the enrollment needs and costs. It was determined that the five school solution was the lowest cost approach to meeting the educational needs of the elementary program. This was due to the fact that core spaces at the existing schools would require extensive additions to accommodate the larger student population. In the case of Birch Meadow and Joshua Eaton, these renovations would not have been reimbursable by SBA.

Town Meeting, in 1998, approved a plan to build the New Elementary School as well as the renovation of and an addition to the Barrows School. A referendum on the Town Meeting vote approved the Barrows project; the new school project was required to be brought back to Town Meeting in 1999. Town Meeting again approved the new elementary school, and a town referendum thereafter confirmed this approval. The projects were both thus approved within the Town of Reading Capital Plan and did not require a Prop. 2 1/2 override vote. The amount approved for the two projects was \$16.2 million. The designs were completed and submitted to the SBA in 2000. Both projects are currently on the approved SBA priority list for funding reimbursement on the basis of the then-in-place rate of 66%. As of the 2003 Priority List, they are numbers 62 and 78 out of a total of 283 projects awaiting funding.

The projects were originally planned for construction in 2001-2003. However, in late 2000, an appeal of the Reading Conservation Commission Order of Conditions, with respect to the new school, necessitated delaying the project(s) until resolved by the DEP and Massachusetts Superior Court. These matters were resolved so as to permit the town to move forward with the New Reading Elementary School in the fall of 2002.

The delays resulting from this series of circumstances has come during a time of significant inflation in construction costs. In order to construct the Proposed project in 2003-2004, an additional \$2.5 million will be required.

The Barrows Project has been modified from the original plans so as not to require additional funding.

Primary attributes of the Proposal

The Proposal will permit the Town of Reading to provide neighborhood elementary schools with kindergartens, art, music and recreational spaces as required by SBA and appropriate to the enrollment at each building. It is anticipated that no elementary children will reside so far from their school as to require bussing. No longer will kindergartners be bussed from one school to another. Special needs students will no longer be taught in former closets or in hallways. All five elementary schools' educational spaces and core facilities will be appropriately sized and balanced to their respective enrollments.

The following is an outline of the key facts of the Proposal:

- **Completed facility: 56,000 SF**
- **100% New Construction**
- **16-18 Months Construction**
- **\$11.6 Million Project Cost**

- All elements of the elementary educational program are included. All classroom spaces meet program space goals.
- Upon completion of the Proposed project and the addition at Barrows School, all temporary modular classrooms will be removed from Reading Elementary Schools.
- Special needs and core programs (art and music) will have dedicated learning space in the New School as well as *all other* Reading Elementary schools
- Redistricting will permit the elimination of all elementary school bussing.

Following is a summary of changes in the budgets for the Proposed project as well as the Barrows School. This summary describes the changes in budgets that have been made and which necessitate the funds addressed in this Article:

Project Cost Changes Since July 2000

	July 2000	Nov 2002	Change
<u>New Reading Elementary School</u>			
Building Construction Costs	\$7,355,000	\$9,490,000	\$2,135,000
Contingency	\$345,000	\$465,000	\$120,000
A&E Redesign Fees / Delay Costs			
MEP - Energy Code	na	\$55,000	\$55,000
Structural	na	\$23,000	\$23,000
Architecture	na	\$79,000	\$79,000
Project Manager	\$90,000	\$110,000	\$20,000
Re-bid Expenses	na	\$40,000	<u>\$40,000</u>
Total			\$2,472,000
<u>Barrows Elementary School</u>			
Building Construction Costs	\$4,762,000	\$5,445,000	\$683,000
Reduced Square Footage	na	na	(\$783,000)
A&E Phasing Costs	na	\$16,000	\$16,000
Contingency	\$435,000	\$455,000	\$20,000
Project Manager	\$110,000	\$150,000	\$40,000
Bid Costs	\$20,000	\$44,000	<u>\$24,000</u>
Total			\$0

ESTIMATED EFFECT ON REAL ESTATE TAXES WITH DEBT EXCLUSION OF \$ 2,500,000 FOR NEW ELEMENTARY SCHOOL

NOTE: THE FOLLOWING PROJECTIONS ARE BASED ON THE FY '03 VALUATION OF \$2,837,919,090 AND THE FY '03 TAX RATE OF \$11.49 PER THOUSAND OF VALUATION

Each \$2,837,919 expenditures = \$1.00 on the tax rate.

Each \$100,000 of additional expenditures = \$.0352 on the tax rate.

Since the tax rate is per thousand dollars of valuation, each \$100,000 increase of expenditures will cost taxpayers \$3.52 per \$100,000 of property valuation.

The average assessment for single family homes is approximately \$355,000.

The effect on the taxpayer of estimated 5 % interest costs of \$125,000 for Bond Anticipation Notes (BANS) in the amount of \$ 2,500,000 for the first year of the new school construction project as follows:

- With a \$200,000 value, it would mean an increase of \$ 8.80 in yearly taxes
- With a \$250,000 value, it would mean an increase of \$ 11.00 in yearly taxes
- **With a \$355,000 value, it would mean an increase of \$ 15.62 in yearly taxes**
- With a \$400,000 value, it would mean an increase of \$ 17.60 in yearly taxes
- With a \$450,000 value, it would mean an increase of \$ 19.80 in yearly taxes
- With a \$500,000 value, it would mean an increase of \$ 22.00 in yearly taxes
- With a \$600,000 value, it would mean an increase of \$ 26.40 in yearly taxes
- With a \$700,000 value, it would mean an increase of \$ 30.80 in yearly taxes

As this borrowing would not be eligible for SBA, the Town would continue to carry these BANS for one more year as the current law allows. In the third year, the Town would permanently bond the \$2,500,000 and the estimated \$387,500 in debt service would effect the taxpayers as follows. The principal and interest would decline gradually over the 10 years of the borrowing.

- With a \$200,000 value, it would mean an increase of \$ 27.28 in yearly taxes
- With a \$250,000 value, it would mean an increase of \$ 34.10 in yearly taxes
- **With a \$355,000 value, it would mean an increase of \$ 48.42 in yearly taxes**
- With a \$400,000 value, it would mean an increase of \$ 54.56 in yearly taxes
- With a \$450,000 value, it would mean an increase of \$ 61.38 in yearly taxes
- With a \$500,000 value, it would mean an increase of \$ 68.20 in yearly taxes
- With a \$600,000 value, it would mean an increase of \$ 81.84 in yearly taxes
- With a \$700,000 value, it would mean an increase of \$ 95.48 in yearly taxes

**Town of
Reading
Massachusetts**



**Report on the Warrant
Special Town Meeting
January 13, 2003**