

**Colorado Early Colleges
4435 North Chestnut
Colorado Springs, CO**

**Special Meeting of the Colorado Early Colleges Board of Directors
August 28, 2017 Monday, Network Office
3:00 P.M.**

AGENDA

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Correspondence/Board Comments**
- 4. Administration Report**

In accordance with C.R.S. 24-76-402, The Board will hold an executive session for the purpose of considering the purchase of real property. It will receive advice from its lawyer. No decision will be made in Executive Session.

- 5. Action Item.**

- 6. Other Business**



COLORADO Early Colleges

Keith King – Administrator
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Colorado Springs, CO 80907
719-528-6062

Parker Location
8/27/2017

Memo Update:

On Saturday morning, I woke up and started thinking about this decision. The more I thought about it, the more uncomfortable I became with the thought of us spending this type of money for such a small amount of land. We have been innovative in purchasing the property. This is not innovative, this is expensive. We have a competitive advantage because we have not purchased land and built buildings. Instead we have leveraged the usage of the building by our tenants to help us pay for our leases.

The return on investment that an eight million addition would give us to the Parker school is beyond what I think is reasonable. I think we would be better off to look at other alternatives. I called Mitch Trevey, a commercial realtor who had listed our current building on Saturday to see if he had some options that were available in the Parker market. He will report to me tomorrow.

I also asked Michelle Fisher to present options at the board meeting tomorrow from two to eight million dollars. We have some broader discussions that we need to have during the strategic planning process concerning property development.

The .71 acres presents other problems to us because of the way it is laid out. If the Montessori school purchases the building, they are not a charter school, they would have to go through the city of Parker to get everything approved. We would have plenty of input to make sure it does not hamper the operations of our school.

Therefore, I will be changing my recommendation tomorrow, to NOT purchase this property. If the Montessori school does not purchase a then we can have a more robust discussion about it in the future.



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Background Information

The purpose of the executive session is to discuss whether not we should purchase a partial parcel of land is adjacent to the existing Colorado Early Colleges Parker. The parcel of land is .71 acres and is for sale for \$325,000. The present price is approximately \$10 per square foot with the land. This is by far the highest that we have ever considering purchasing land.

Need For Meeting

The lot is currently under a contract offer from a Montessori school for \$325,000. They are a cash buyer who would put a school there. The location is less than ideal for school to locate there. The traffic situation would be crowded and unsafe. The owner of the property is Robert Stone. His kids attend CECP. He believes in our mission. He told us about the pending sale, and has agreed to sell it to us for the same price. We need an answer by Monday so that he doesn't lose his other people if we choose not to buy it.

Need for Land

We are currently beginning a study of adding on to Parker to be able to handle enrollment interests. This lot could either become a parking lot or a structure process. It does present some challenges because of the entrance of the medical center behind the school is a drive way that has no easements. It might be difficult to connect into our existing drainage pond.

Current configuration.

Michelle Fisher has compiled the following statistics on the existing land was school is located.

Site Area Assessment

- build area (not encroaching on existing parking = approx. 35,000sf (actual site area is approx. 55,626sf)
- park area on north site = approx. 29,000sf which likely provides about 80 parking spaces (325-350sf/stall including required circulation). Actual site area is approx. 52,350sf)

Cost info

- There is a product called "True Grid" that is an interlocking system underplayed with gravel that allows detention within/through the lot. It is the same cost as an asphalt lot with the benefit of no additional land cost for drainage.
 - The cost is \$6-8/sf
 - For 29,000sf at \$8 = \$232,000
- Parking below grade is actually cheaper than parking on grade and building above (driving under building)
 - 1 level below grade cost = \$25,000-\$30,000/stall
 - Going two or more levels below grade with parking is very expensive = \$40,000 - \$50,000/stall (due to soils concerns, dewatering, elevator travel distance...)
 - Second level of parking and each level above is \$15,000/stall. Over three stories has a premium for the type of elevator.
 - The other factor that can affect the cost of a parking garage is jurisdiction design requirements that require higher end finishes and configurations. I would expect this of Parker.
- Cost for school above/parking below
 - Putting parking below a building does not increase the cost of the building above – all costs here for parking are dedicated to the parking lot – so the allowance of \$275-\$300/sf for building. The “premium” falls within the cost range.
 - The same is true the sf cost of a two story building vs three story building – the cost premium to go the third level falls within the cost range of \$275-\$300/sf.

Addition

- Parker architectural space program (attached) = 20,000sf new area which could likely be accomplished over two stories.
- New parking required for addition: 1 space is required 3 students/occupants (need to verify exact requirement from Parker – their website is failing to load)
 - 8 new classrooms at 700sf = 35 students per the building code.
 - 35 students x 8 classrooms = 280 new students

- You can argue that all other spaces are used by the same students and the other areas do not require additional parking spaces. (This will be a fight but has sound logic)
- $280 \text{ students} / 3 = 93$ parking spaces required to support the addition.
- Three story addition will take less land and could create area for additional parking
 - Need to assess current parking needs
 - Additional parking need to support addition less the 80 parking spaces above = 13 additional parking spaces
 - $13 \times 350\text{sf/stall} = 4,550$ additional parking to space on existing.
 - I think we can optimize the parking layout on the north site and capture most of the additional 13 spaces needed.
 - If the current site is short spaces (what has Parker told you?) we need a strategy to provide these spaces.

Cost estimates and Lot Usage

Attached you will see the latest architectural space needs program worksheet that Michelle has produced. You will see that the total preliminary cost of the project is about 7.2 million. It is quite expensive for the extra 280 students who will build attend the school this remodel. If this is all financed it will add approximately \$151.28 to the cost of the facilities for each student and enrollment is 2700 next year. Looking back at the 2015 – 2016 school year the cost per pupil was \$616.26 per pupil.

Recommendation

I am recommending the purchase of the lot for \$325,000. If we choose to expand at this location or different location the real estate in Douglas County stays strong. The new school would create traffic problems for school. We will need more parking spaces that we currently have this will be able to provide the spaces.

I am also recommending that we take the money out of the Colorado Early College Building Corp., which has a fund balance of approximately \$1.3 million.

The following is a statement from Michelle Fisher, Project Executive for the Fort Collins building remodel.

The recent consideration to purchase the lot north of Parker has prompted a larger discussion relating to

- how efficiently current CEC schools are utilized
- confirming enrollment projections and classroom utilization
- the ability to generate income by renting the schools during off hours
- attracting community colleges onto campus to reduce the cost of college credit hours, increase collaboration and course offerings
- understanding the needs of the Community College and vocational certification programs to attract them to CEC schools - possibly supported by capital construction projects such as large flexible spaces (iNNOLab, business incubators, vocational training).
- Fort Collins HS at Innovation models the integration of the Community College on campus and the adaptable space of the iNNOLab, as well as weekend rental opportunities with a local church.

The logical and inter-connected relationship of these issues is reflected in the emerging CEC strategic plan concerns of how the current facilities can best support the needs of the individual schools, and create a market advantage and leverage for CEC to realize its mission.

As we consider the need for more classrooms at Parker our next step will include a thorough evaluation of the current facility. As we understand Parker (and other CEC schools) needs moving forward, we will consider the benefit of a large, flexible space that could support on-site Community College coursework (or other secondary partnerships) and continue to refine the unique offer CEC makes to students choosing a school.