Welcome to the Community Meeting

Hosted by the Falls Church City Council

and the

Falls Church City School Board

High School Campus Project-
Exploring Options for the Future

Mary Ellen Henderson Middle School Cafetorium

Saturday, February 4, 2017

Vice Mayor
Marybeth Connelly

Introductions

Housekeeping

1. Bathrooms
2. Coffee & Snacks
3. Make sure you've signed in and provided your email so that we can keep you updated.

Time Schedule

- **9:00 – 10:00**

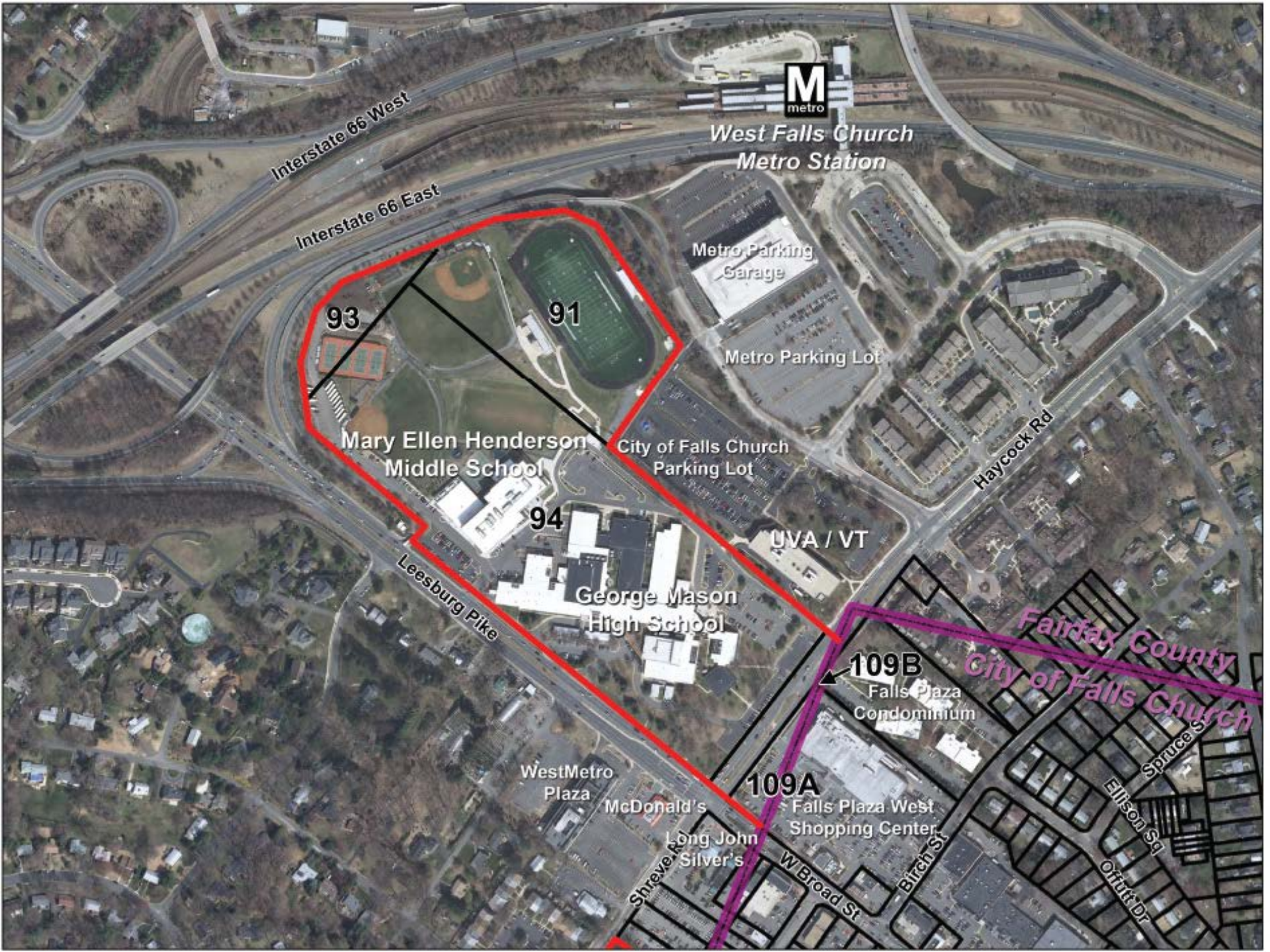
  First hour will be presentations about the options.

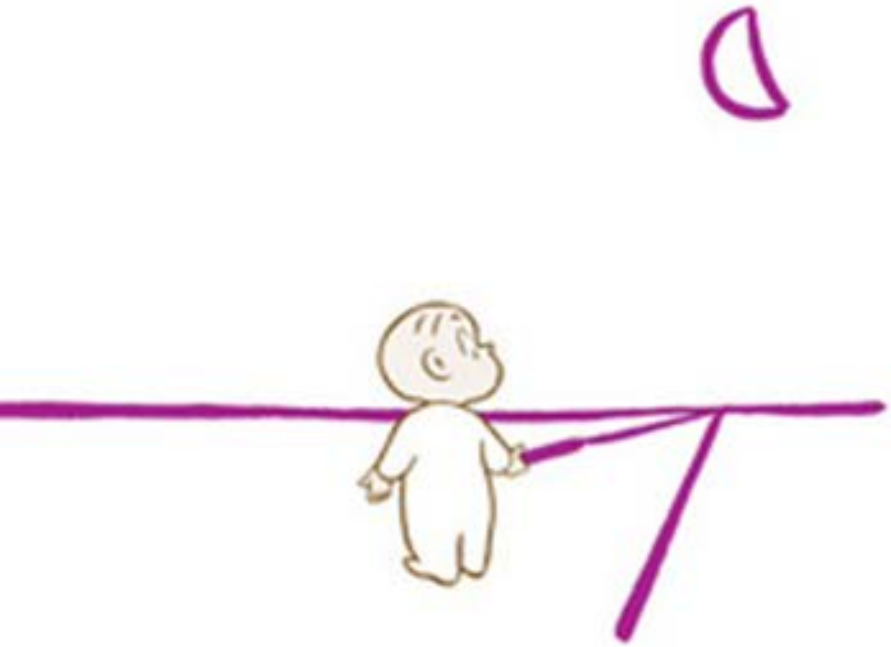
- **10:15 – 11:30**

  Second hour there will be four groups and we will ask you to provide feedback

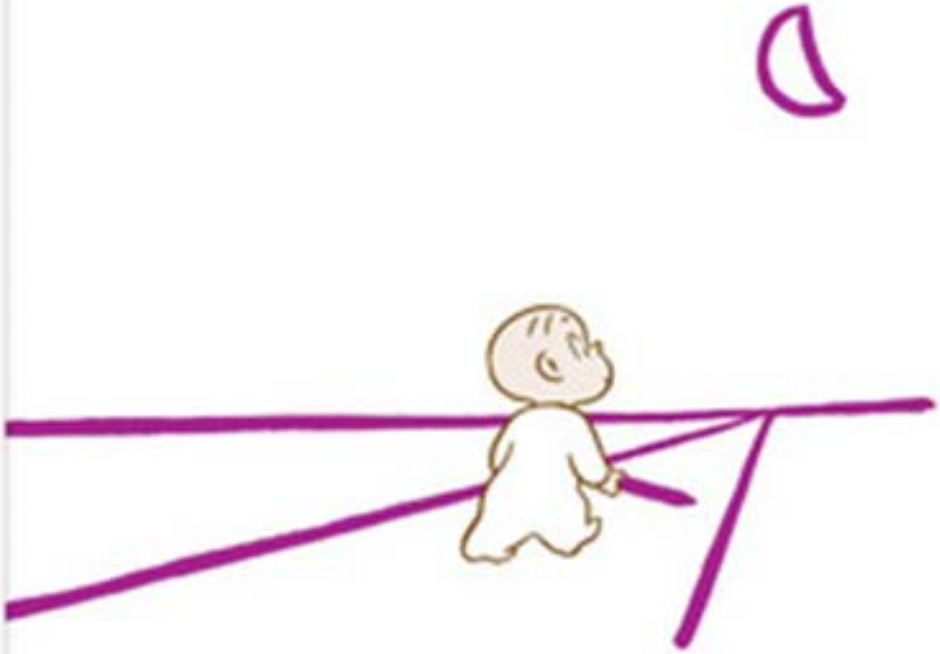
- **11:30**

  Then we will wrap up and answer questions and provide next steps


Interstate 66 West
Interstate 66 East
West Falls Church
Metro Station
Metro Parking
Garage
Metro Parking Lot
93
91
Mary Ellen Henderson
Middle School
City of Falls Church
Parking Lot
Haycock Rd
94
UVA / VT
Leesburg Pike
George Mason
High School
Fairfax County
City of Falls Church
109B
Falls Plaza
Condominium
WestMetro
Plaza
McDonald's
109A
Falls Plaza West
Shopping Center
Long John
Silver's
Shreve Rd
W Broad St
Birch St
Spruce St
Ellison Sq
Offutt Dr



He made a long straight path so he wouldn't get lost.



And he set off on his walk, taking his big purple crayon with him.

October 2014

Urban Land Institute
Washington

Technical Assistance Panel Report

Development Opportunities in The City of Falls Church

Sponsored by:
The City of Falls Church
Metropolitan Washington Council of Governments

October 15-16, 2014

June 2015

GM/MEH CAMPUS COMMUNITY OUTREACH REPORT

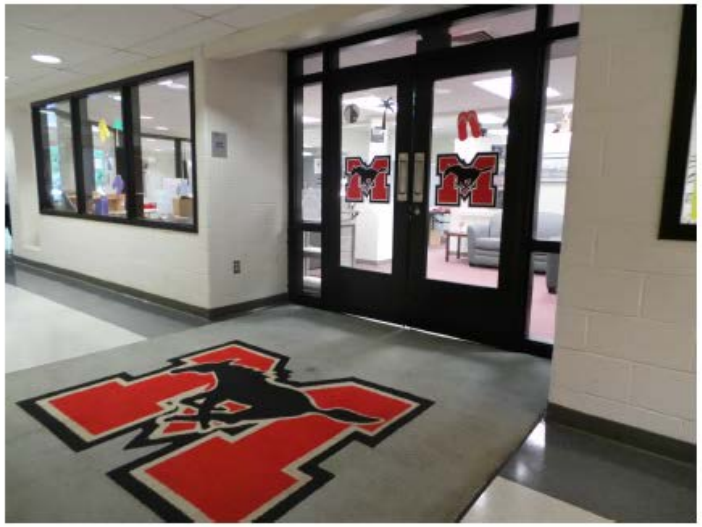
DATE
JULY 17TH, 2015

CITY OF FALLS CHURCH

COOPER CARRY

© 2015 Cooper Carry, Inc. 625 North Washington Street, Suite 200, Alexandria, Virginia 22314 TEL 703 549 6050 FAX 703 549 7197

October 2015



FCCPS Community Visioning

The Schools of the Future

Report to the Community

Everyone is a Stakeholder When You are Building Community Schools

November 2015

Falls Church City Public Schools

Interim School Superintendent

Dr. Robert Schiller

Current Facility

- The current facility does not adequately support the current academic program, students, and staff.

- The current facility lacks capacity to accommodate the projected enrollment growth.

Current Facility (cont'd)

- The current facility lacks capacity to provide the flexibility or space to offer an enhanced, academic program in the future.
- Maintaining the status quo invites systems failure in the 1953 core facility and in its additions.

BAND

EYE PROTECTION REQUIRED
CP IX
CYBER PATRIOT

Three questions to guide your thinking & deliberations

1. What is needed to support, sustain, and improve George Mason as an excellent, high performing school in the future and whose current enrollment is projected to increase by more than 1/3 in the next ten years?

Three questions to guide your thinking & deliberations

2. Do the options being considered offer the City of Falls Church, if it so chooses to do so, an opportunity for economic development on some of the acreage fronting Haycock Road, RTE 7, and UVA/VATECH Center?

Three questions to guide your thinking & deliberations

3. How does each option financially impact the City of Falls Church, its residents, and businesses for the next 30 years?

Proposed GMHS
300,000 Sqft Facility

- Based on the 2015 Vision & Planning Sessions
- 1,200 student capacity with every teacher having a permanent classroom
- 1,500 student capacity, with some teachers sharing classroom space

Three Options for Discussion

1) Renovation plus Addition

2021: Completion

2) Build New in Two Phases

2021: Phase 1 completion

2028: Phase 2 completion

3) Build New in One Phase

2021: Completion

Impact on Educational Program by each option

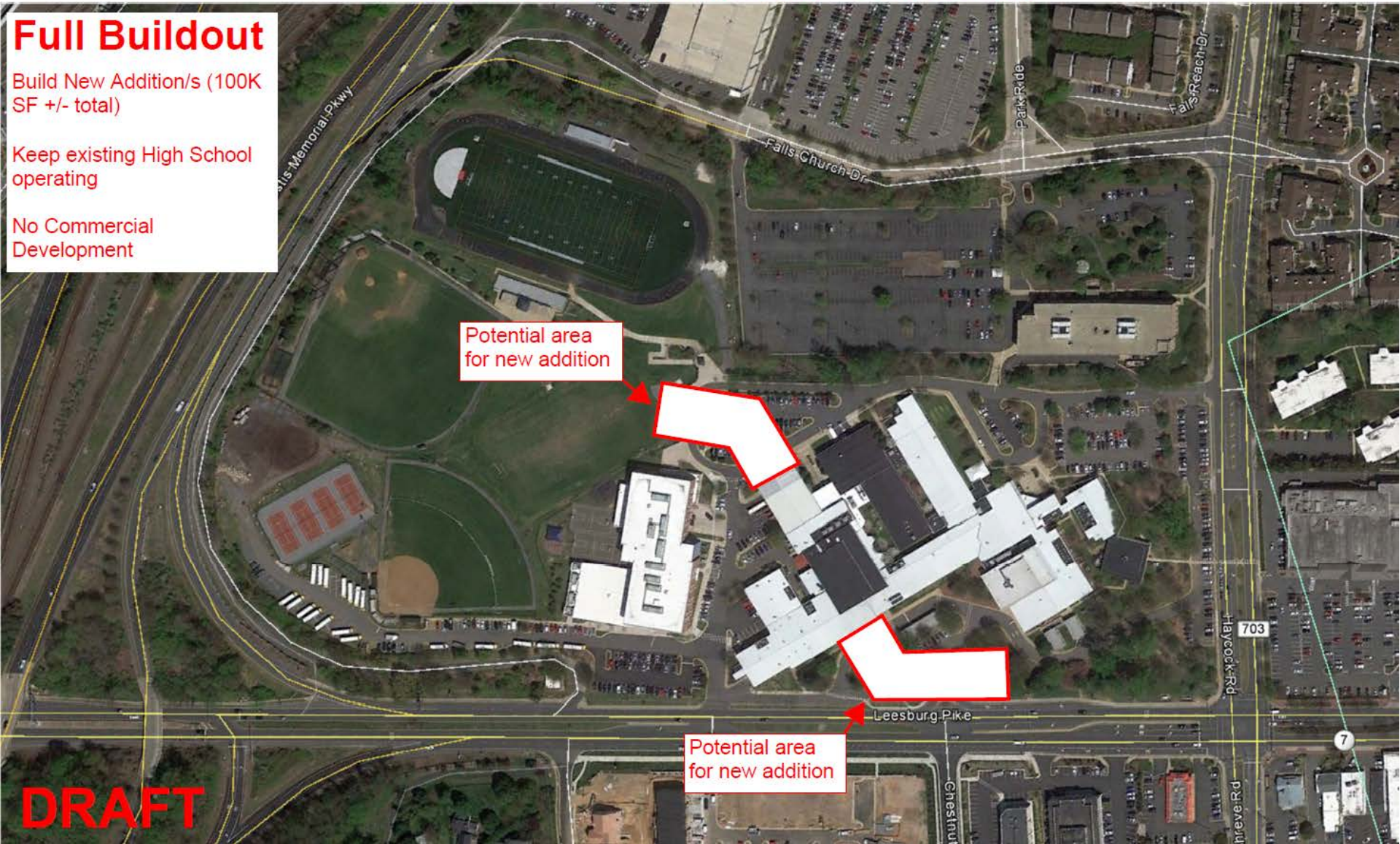
- Improving schools environment has an impact on student achievement.

Renovation & Addition

1) Renovation & Addition

- $65 Million cost estimate
- Minimal Renovation of Existing Building
- 100,000 sq ft addition
- 303,000 sq ft total school facility
- 2018 - 2021 Construction
  - Today's 5th Graders enter renovated school
- No Economic Development

Minimal Renovation + Addition



New High School in Two Phases

2) Build New in Two Phases

- $147 Million
  - Phase 1 $64M 2021
    - Science, Labs, Arts, Auditorium
    - Critical fixes to existing building
    - Demolish auditorium, TLC
      - Allows for 4 acres of commercial development
    - Today's 5th Graders enter 9th grade when phase 1 is complete.

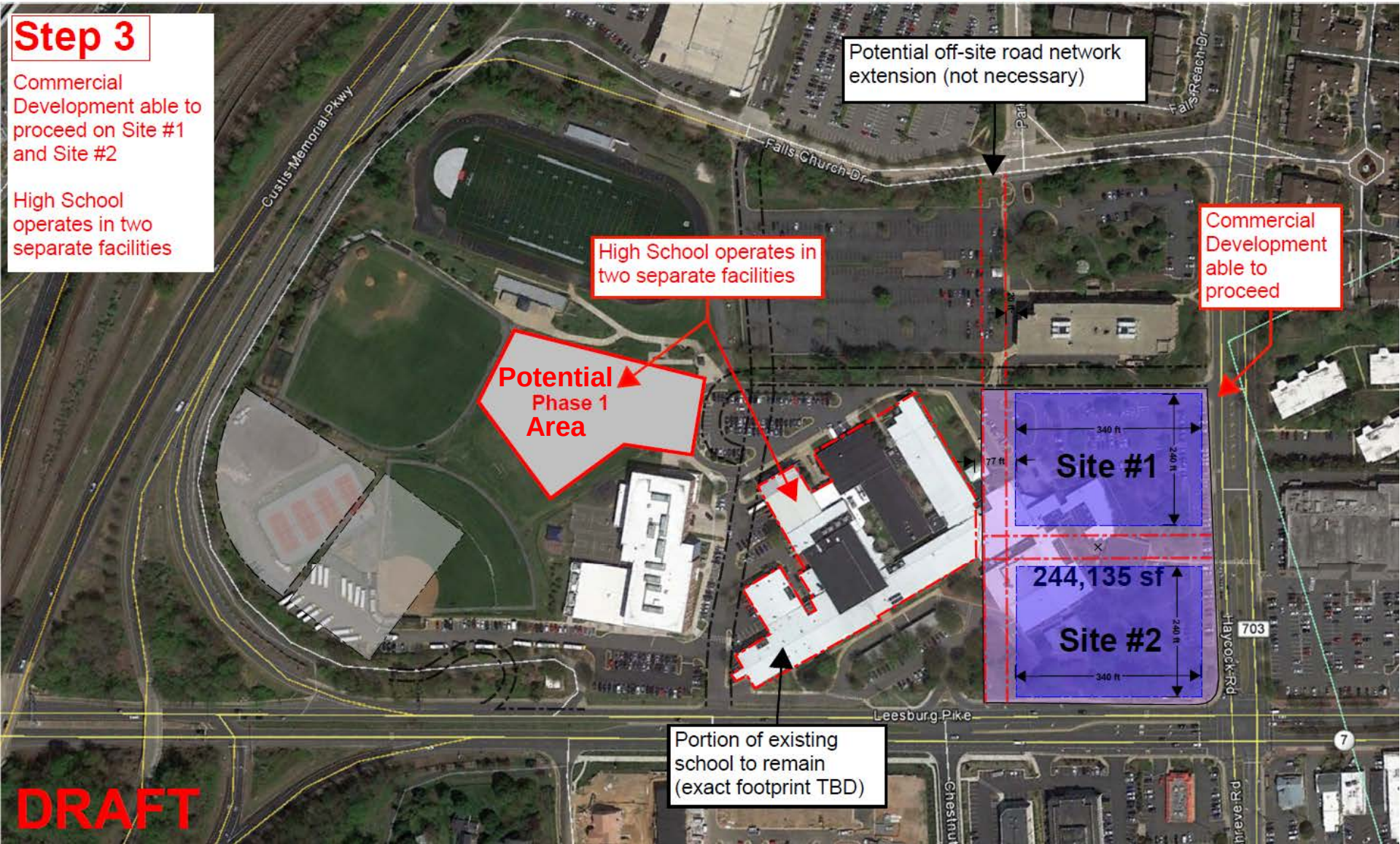
2) Build New in Two Phases

- $147 Million
  - Phase 2 $83M 2028
    - Construct remainder of new school facility
    - Demolish existing school
      - Allows for additional 2 to 4 acres of commercial development
    - Today's Pre-schoolers (class of 2033) enters completed school.
    - Every student in system today K-10 will experience high school construction activity.

Build New High School in Two Phases

Build New High School in Two Phases

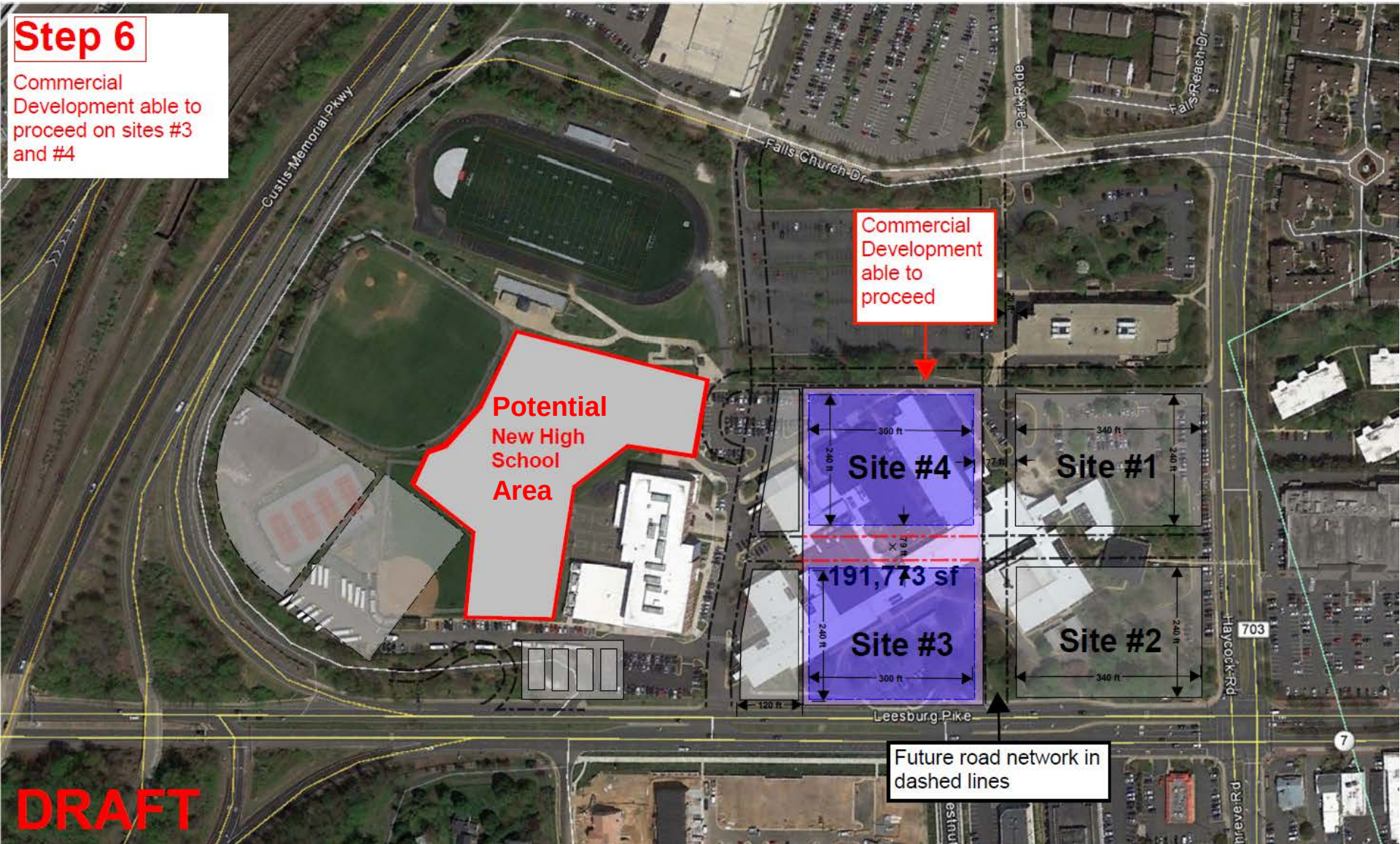
Build New High School in Two Phases



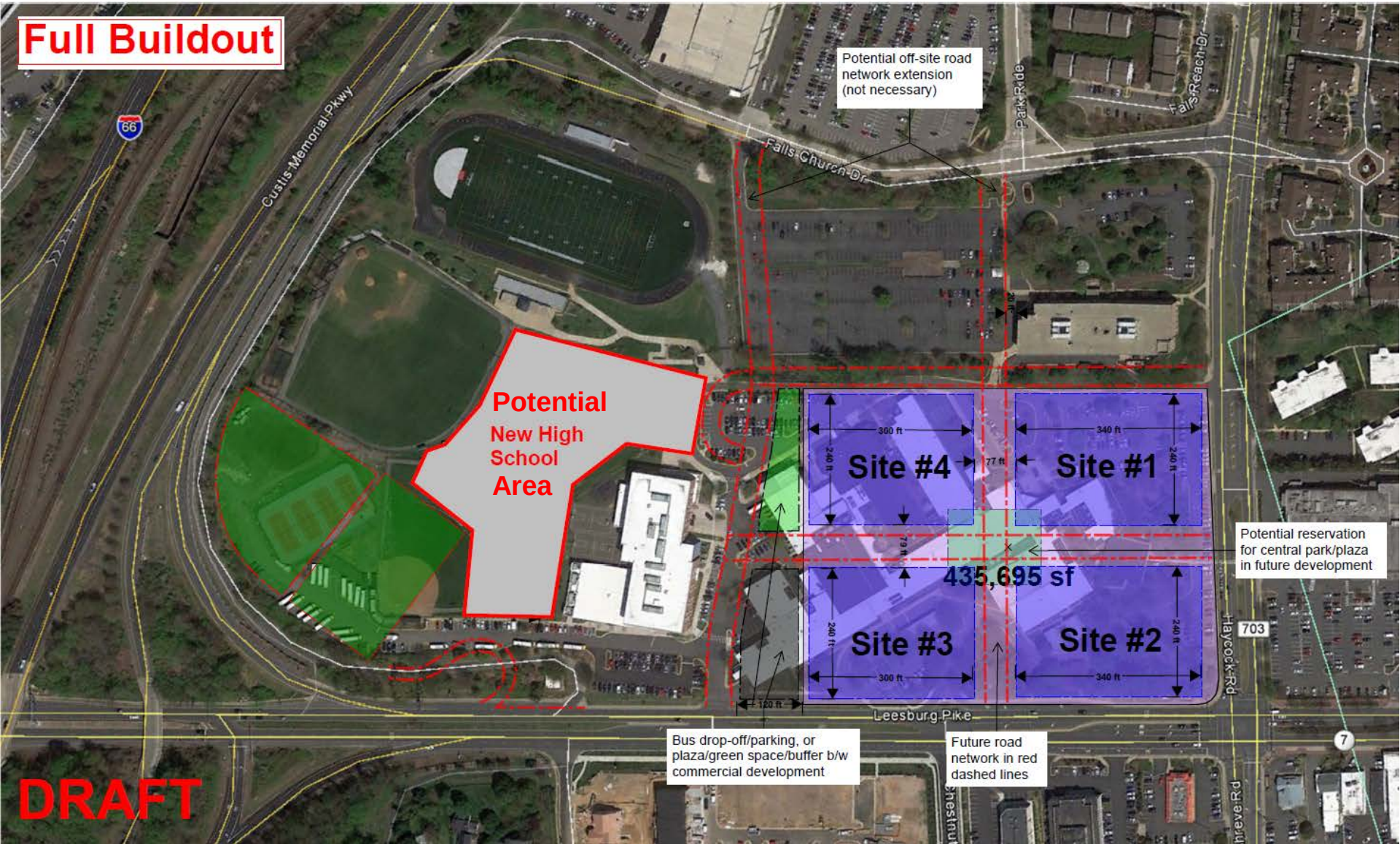
Build New High School in Two Phases

Build New High School in Two Phases

Build New High School in Two Phases



Build New High School in Two Phases

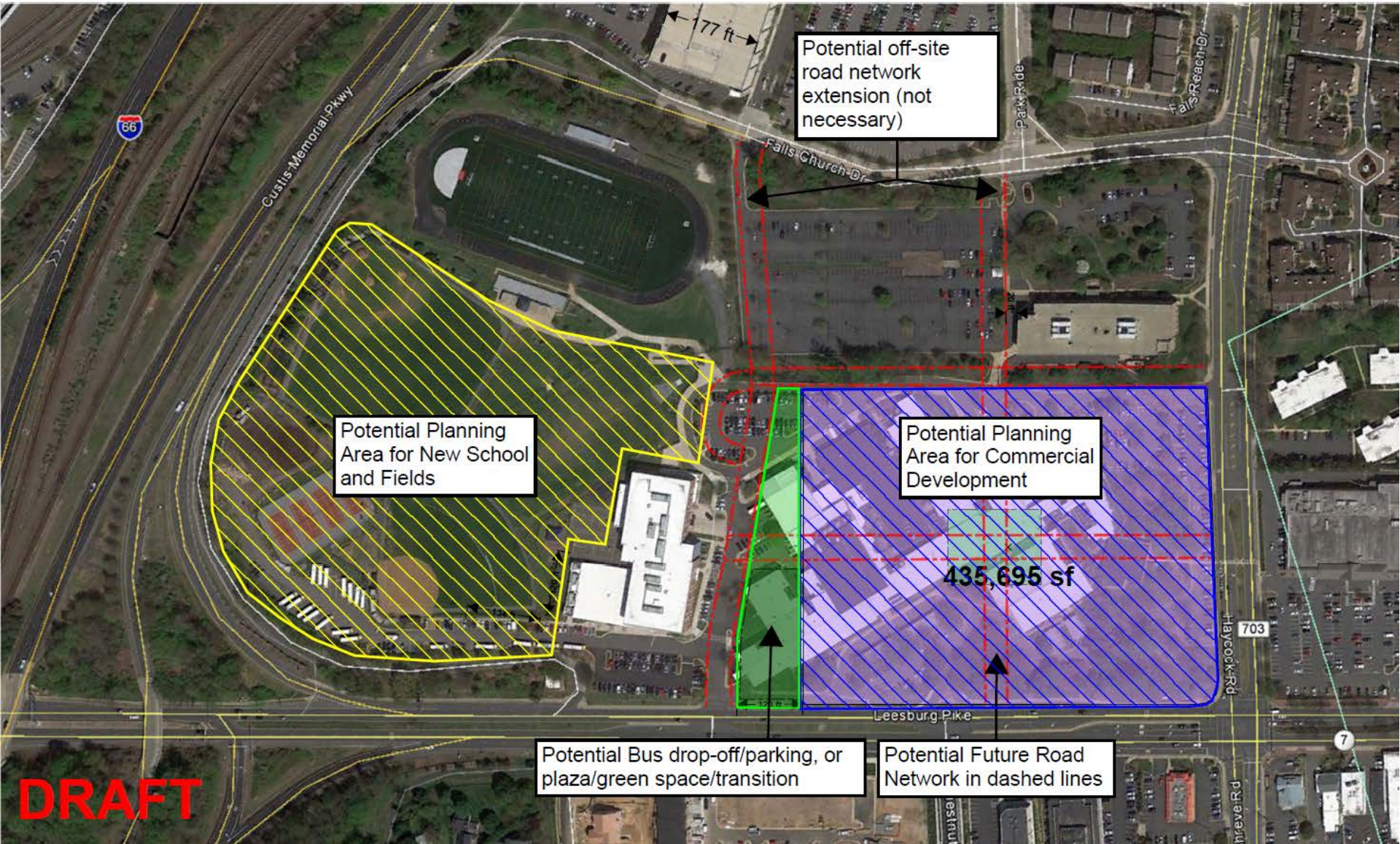


New High School in One Phase

3) Build New in One Phase

- $117 Million
- 2018-2021 Construction
- Today's 5th grader enters as a 9th grader in the first class in new facility.
- No construction in school building
- Up to 10 acres available for economic development

New High School in One Phase



City Manager

Wyatt Shields

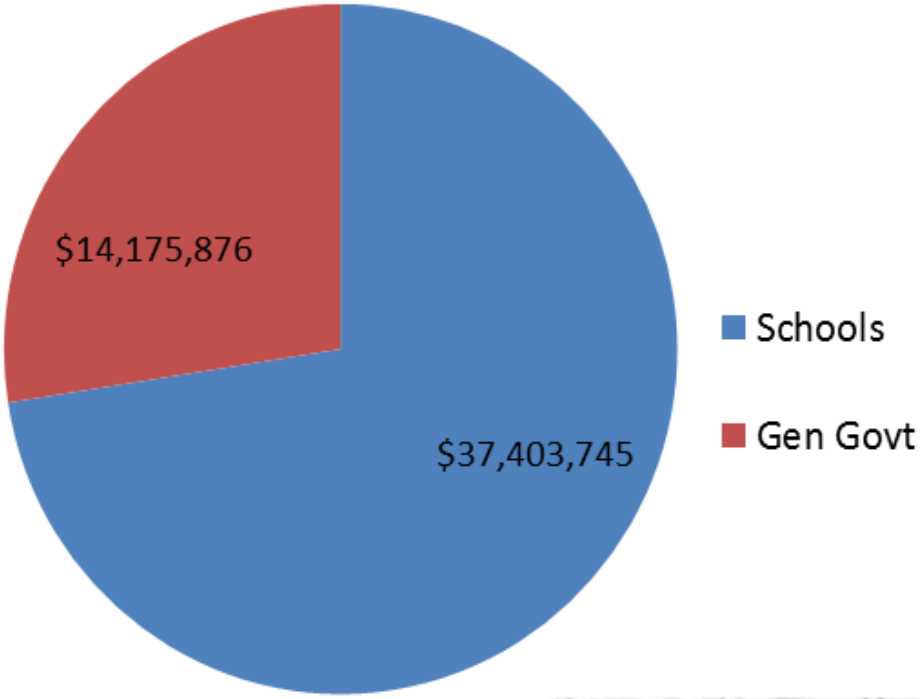
School Financing KEY factors

- Other CIP projects (City Hall, Library, Schools)
- Capital Reserves, and how they are used
- The City's adopted fiscal policies
- The potential sale/lease of school land for commercial development
- The local economy and how it may change
- Interest rates
- Debt terms (20 yr, vs 30 yr)
- What tax payers are willing to pay
- What is a reasonable level of risk

Two Things Are Certain

- A new High School won't be free
- Affordability is complicated

Outstanding Tax-Supported Debt
December 2016



$51.6 Million Total
$6.2 Million Annual Debt Service Cost
16 Cents on RE Tax Bill

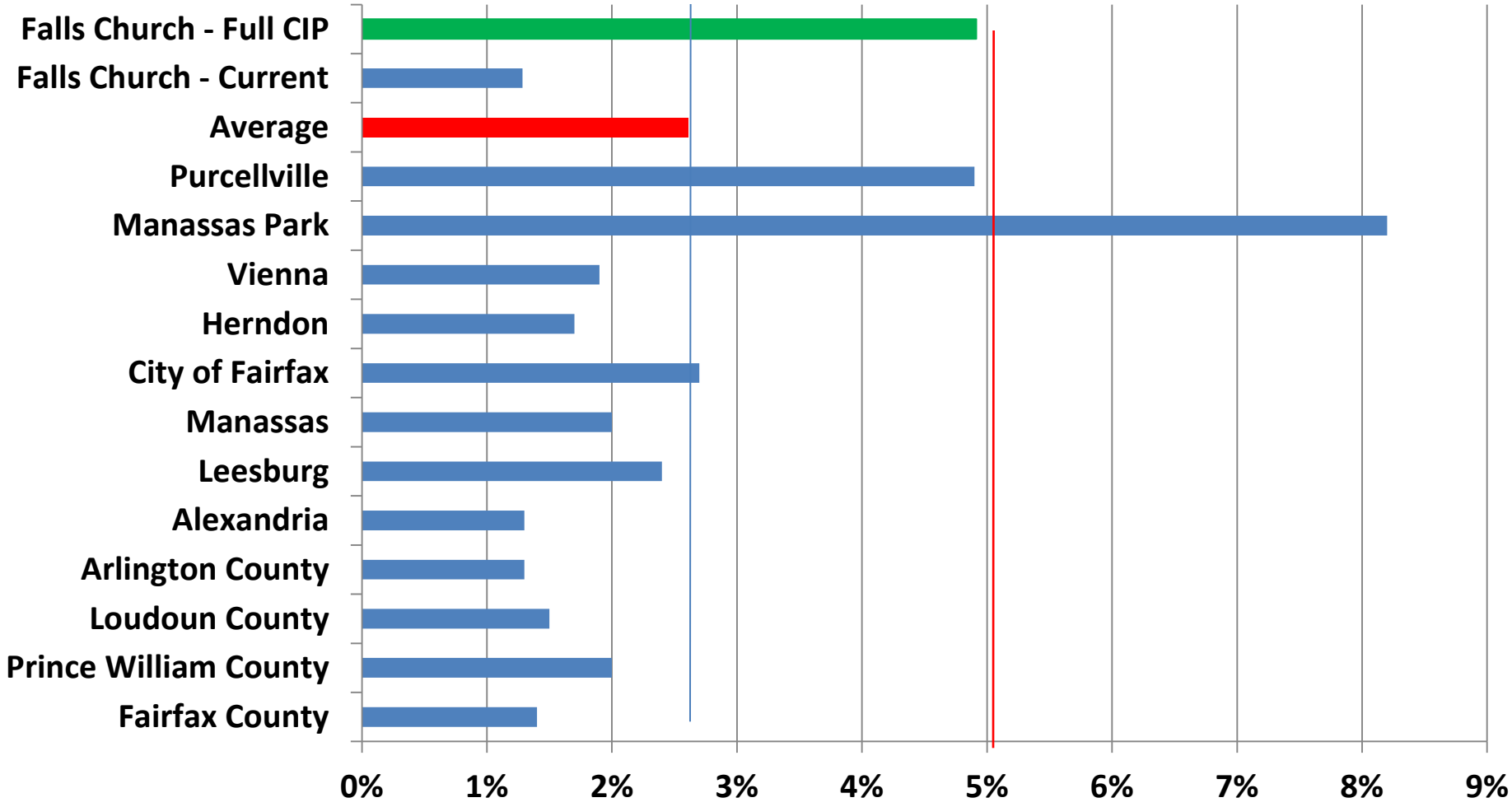
Adopted Five Year Capital Improvements Program

- GMHS Project: $112 M
- Library: $ 8.7 M
- City Hall: $ 13 M
- Other: $ 9.3 M
- Total: $143 M

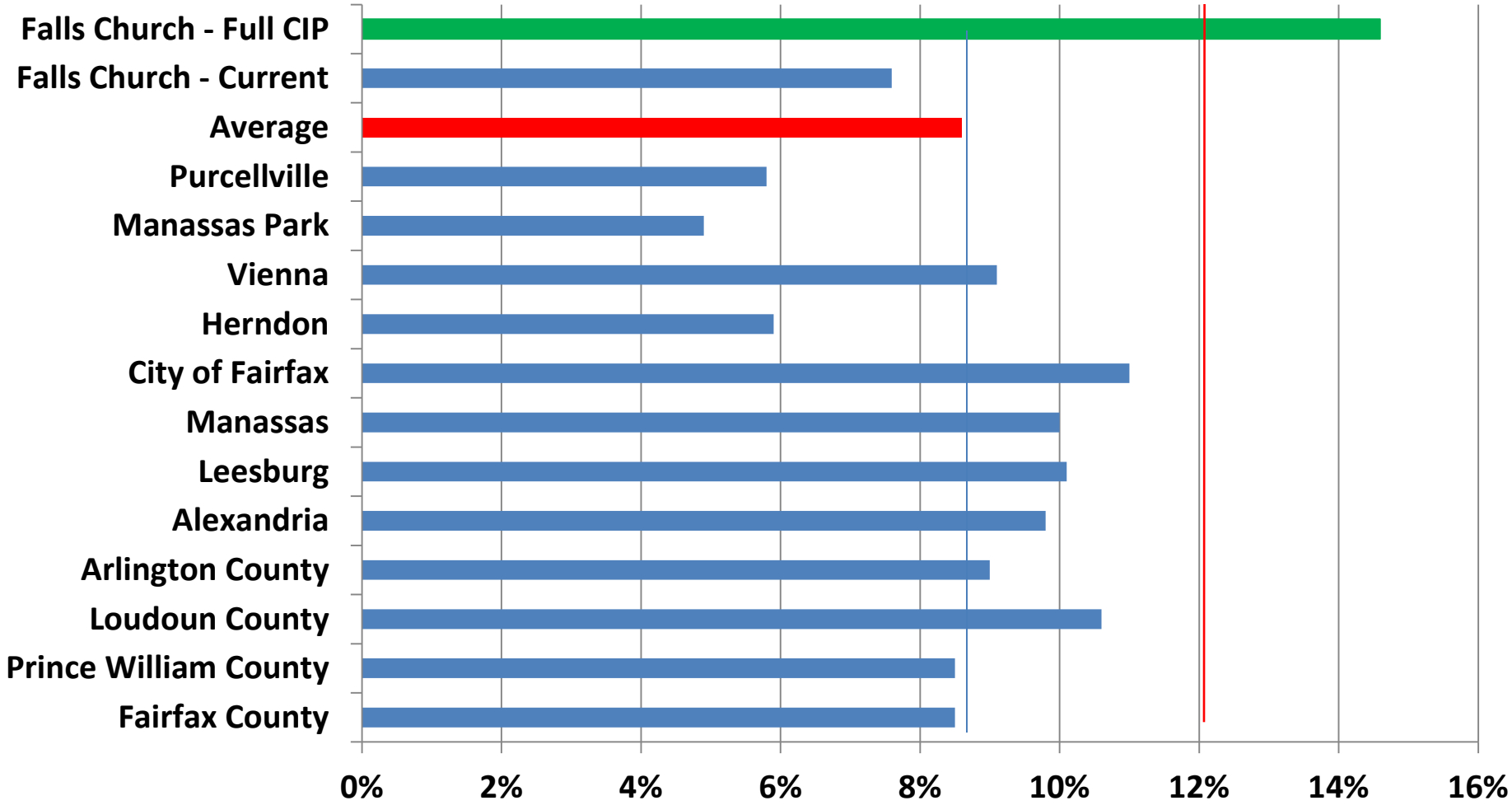
What Can the City Afford?

- Affordability Metrics
  - Debt to Assessed Value (AV)
    - 10% state law cap; 5% City policy cap
  - Debt service to total expenses
    - 12% City policy cap. No state law cap
  - Debt per capita
    - Regional comparisons; no law or policy cap
  - Others
- What is reasonable for taxpayers?

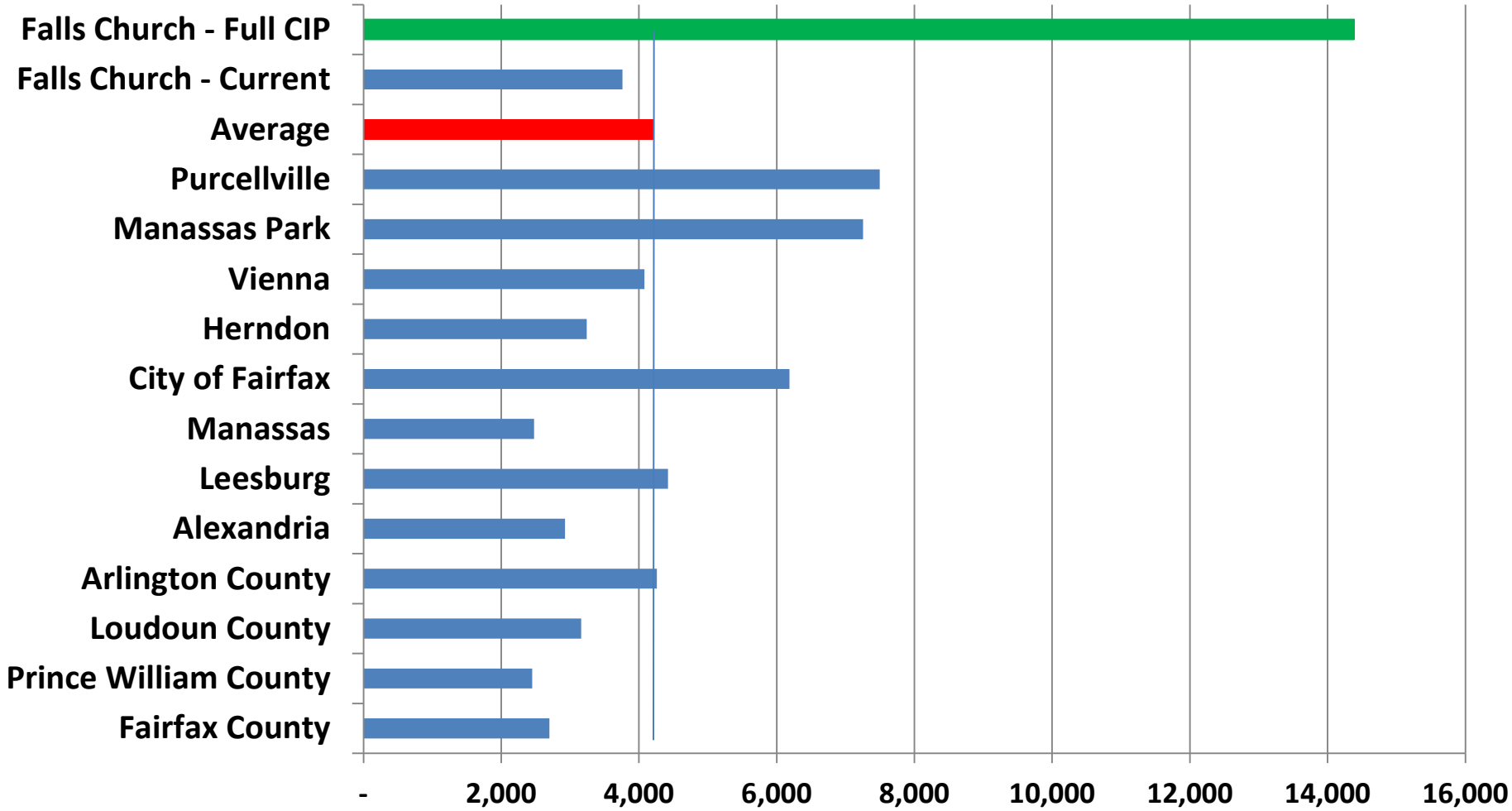
Debt to Assessed Value



Debt Svc vs. Expenditures



Debt per Capita



Three GMHS Campus Financing Scenarios

1) Renovation plus Addition

2021 project completion

No Commercial Development

2) Build New in Two Phases

2021: Phase 1 completion

2028: Phase 2 completion

2022 & 2029 Phased Commercial

3) Build New in One Phase

2021: School completion

2022: Commercial development able to proceed

Three Options Financing Summary

	Cost	Completion Year	Commercial Development	Potential Sale/Lease Value	Annual Tax Yield*
Renovation & Addition	**$65 M**	**2021**	**No**	**$0**	**$0**
Build New in 2 Phases					
Phase 1	**$64 M**	**2021**	**~4 acres**	**$14-18M**	**~$2 in 2026**
Phase 2	**$83 M**	**2028**	**~2 acres**	**$7-9M**	**~$1 in 2033**
Total	**$147 M**		**~6 acres**	**$21-27M**	**$3M**
Build New in 1 Phase	**$117 M**	**2021**	**~8-10 acres**	**$30-42M**	**$4-5M '26**

*Annual Tax Yield at year 5 after completion of School Facilities. Not guaranteed.
Chart does not include Operating Budget Costs of new facilities.

1) Renovation and Addition Summary

- Lowest direct cost
- Higher annual maintenance costs
- No land sale

1) Renovation and Addition Cost Summary

- $65 Million in debt
- 30 year Term; 4% Interest
- $3.7 Million annual debt service
- **9.25 cents** on RE Tax Rate
- $**650 per** year per avg household
  - $700k home
- No Economic Development
- $9 M could be used to reduce cost

2) Build New in Two Phases Summary

- Highest Cost option
- Pushes ½ cost out 8 years
- Lowers financial risk
- Allows first phase of economic development to occur prior to taking on full financial costs
- Increases school operational difficulties
- Increased cost for 2nd phase

2) Build New in Two Phases Summary

- Highest Cost option
- Pushes ½ cost out 8 years
- Lowers financial risk
- Allows first phase of economic development to occur, prior to taking on full financial costs
- Increases school operational difficulties

2) Two Phase Cost Summary

- **Phase 1**: $64 Million 2019
  - **$3.7 M annual debt service**
  - **9.25 cents; $650 per average household**
  - **$9 M used to reduce debt service until economic development comes on line**
  - **Economic Development**
    - **Sale/Lease for ~4 acres in 2026**
    - **Potential reduction from $650 to $325 - $216 per average household**

2) Two Phase Cost Summary

- **Phase 2:** $83 M in 2026
  - **Additional 9.25 cents**
  - **Total of 18.5 cents; $1,300 per household**
  - **Economic Development**
    - **Sale/Lease for additional ~2 acres 2026**
    - **Total ~6 acres**
    - **Potential reduction from $1,300 to $650 to $450 per average household**

3) One Phase Build New

- Delivers new school most rapidly
- Highest “up front” cost
- Risk of land sale and economic development not occurring immediately.

3) One Phase Build New

- $117 Million 2019
- $6.9 M annual debt service
- 17.25 cents; **$1,200** per avg household
- $9M Reserves used to reduce debt service until economic development comes on line.
- Economic Development
  - Potential reduction from **$1,200** to **$600 to $400** per average household

Risks

- Interest Rate Risk (modeled 4%)
- Market Risk for Sale Proceeds (modeled $30M)
- Credit Downgrade
- Cost Control Risk
- Other Financing Needs

Mitigating Strategies

- Enhanced General Fund Reserves
  - 20% would be recommended
- Comprehensive Plan of Finance
  - Public support (referendum)
  - Clear & public discussion of the tax implications
  - Plan not overly reliant on external risk such as property proceeds

Economic Development Authority Chairman

Michael Novotny

EDA Chairman, Mike Novotny

- What does economic development mean for the School Site?
- How much potential economic development are we talking about?
- What kind of economic development might we attract?

What Does Economic Development Mean for the GMHS Campus

- City can use **up to** 10 acres for commercial development
  - School site: 34 acres
  - Sale or lease of a portion of the campus.
- Create new tax revenue to pay for bonds for a new high school
- Create a great “place” on the western end of our city

If done right, it can be something we will all enjoy and be proud of.

How much potential Economic Development?

- 10 acres: $30M to $40M value
- Tax Yield potential:
  - $400k to $500k per acre
  - $4 to $5 M in annual taxes could finance $50 to $80 million in debt, depending on financing terms

What Kind of Economic Development?

- Potentially four developable parcels
- Building heights similar to recent projects in City
- Actual uses and density will be set by City through land entitlement process
  - Hotel; Office; Retail; Entertainment; and Residential

Potential for Shared Uses

- Commercial development can complement and fit with school campus.
- Some Ideas:
  - **Conference facilities shared between a new hotel and schools**
  - **Shared parking for school events**
  - **Central office space in a larger office building**
  - **Possibly a shared ice rink, or pool facility**
  - **A shared plaza or open space**
  - **Shared performance space**