

AGENDA ITEM

Subject: Discuss/approve financing proposal and resolution to be utilized for portable classrooms at HJHS.

Rationale: Much discussion has been held about the need to expand facilities due to the increased enrollment in HISD. An audit was conducted of all campuses. Research demonstrated that the number of square feet per student at the junior high is within the TEA recommended amount, but because of the very large theater much of this space is not usable. With grade levels increasing in number, overcrowding at HJHS has now become detrimental to the student learning environment. To ensure that classes can maintain a reasonable size conducive to learning, portable buildings are needed to temporarily expand instructional space. Gallagher Construction has located portable classrooms that would meet our needs.

Last week we happened to have a discussion with Bill Tarleton, Live Oak Financial representative, and discovered HISD could actually finance the buildings, walkways, electrical, etc. over the period of a few years. This would be beneficial to the District in order to continue short and long term facility and financial plans. Attached is original documentation that demonstrates Live Oak could provide us financing at 3.6% over the course of 5 years or 3.89% for 10 years to cover the original estimates of portable buildings. They provided us with provisions for financing both \$175,400 and \$200,000. Raymond then worked with Jeff Fisher and found with the District completing much of the installation and construction, costs would be greatly reduced. Attached is also a revised proposal for financing \$125,000 for 3 at 3.45% or for 5 years at 3.64%. Payments would not begin until the 2018-2019 fiscal year.

Recommendation: Approve the PPFAC contract and execution of the Reimbursement Resolution for the financing of the District Portable Buildings project **for \$125,000 at 3.45% over a 3 year term.**