

School Board Meeting/Workshop Date:

January 12, 2009

Subject:

Montrose Early Childhood Center

Presenter:

Chuck Klaassen
Director of Finance and Operations

SUGGESTED SCHOOL BOARD ACTION:

Approval of purchase of Eden Electronics property adjacent to Montrose Elementary for future site of Early Childhood Education Center.

DESCRIPTION:

The proposed Montrose Early Childhood Center will be on the Board agenda for the Special Board Meeting (re-organizational) on Monday, January 12. Our purchase agreement option for \$220,000 expired on December 31, but the bank has informally extended the option to us for a few extra weeks. Since the option has officially expired, you could make a new offer on the property, but there is at least one other party interested in purchasing the property. I think we need to make a final decision on the land/building purchase and move on.

My recommendation is that we go ahead with the purchase of the property using leftover 2003 bond referendum funds and then wait on the development of the center until we feel more comfortable with that phase of the project. This would spend \$220,000 of the remaining \$1.24 million in the building fund. Our other potential uses for that bond money are renovation of the track (approximately \$400,000), renovation of the BCMS tennis courts (approximately \$200,000) and replacement of roof sections at BCMS (range of \$100,000-1,600,000 for up to about 1/2 of the roof area).

Our district architect Paul Youngquist has estimated the project construction costs of the Early Childhood Center to be about \$1.2 million. We could use the lease/purchase levy option to fund the development of the building/property when we're ready to move forward with that. We would need to tap about \$150,000 a year (10 years) of the approximately \$850,000 we still have available to us annually in our lease levy funding mechanism. As you can see, we have plenty of room under our lease levy funding cap.

This is an opportunity at a good price to secure a location right next to our elementary and meet space need for us and an educational need for the families in the Montrose community. It is important to note that we can accomplish this without impacting the general fund budget or the funding for other district programs or services. This is not taking from any dollars that could be used for any general fund operating budgets.

I've attached a breakdown of estimated project costs put together by Paul Youngquist.

ATTACHMENT(S): Estimated Project Construction Costs