

Dr. Robert Petersen
Business Administrator

Date: June 4, 2021

To: Weber School District Board of Education and Superintendent Jeff Stephens

From: Dr. Robert D. Petersen, Business Administrator

Subject: **Approval of Real Property Lease**

As you know, as part of hiring MHTN as our architect for the new high school, last year the Capital Improvement Committee toured several high schools and interviewed multiple architects.

Most of the districts indicated that acquiring an architect before the election was a good thing. First, MHTN will help us pass the bond because the public will know we have a definite plan and purpose. Second, with the rising costs of construction, lock in a price right after the election and start construction.

By the end of the fiscal year (June 30, 2021), we will have paid MHTN nearly \$2 Million for their services. In an effort to leverage low interest rates, and to keep our Capital Balances stable, we propose entering into a Real Property Lease with Zion's Public Financing. When the bond passes, if we choose, we can pay off the lease. The current interest rate would be 1.9%. Eight years is the term of the loan. Annual payments are less than \$300,000. We intend to pay for this loan with the bond. If the bond does not pass, we can easily pay for the loan with the increased revenue from our Capital Outlay Levy.

Yesterday, I was given a preliminary assessed value for our district by the State Tax Commission. It is anticipated that our value will increase by 18.7%! This increase is much higher than expected. This huge increase is also confirmation that we did the right thing by hiring MHTN early.

Attached to this memo is a copy of the lease agreement.

If you have any questions, feel free to give me a call at 801-476-7841. Or you may email me at reptersen@wsd.net