

Clarksdale Collegiate Public Charter School

Facilities Planning Updates
October Board Retreat



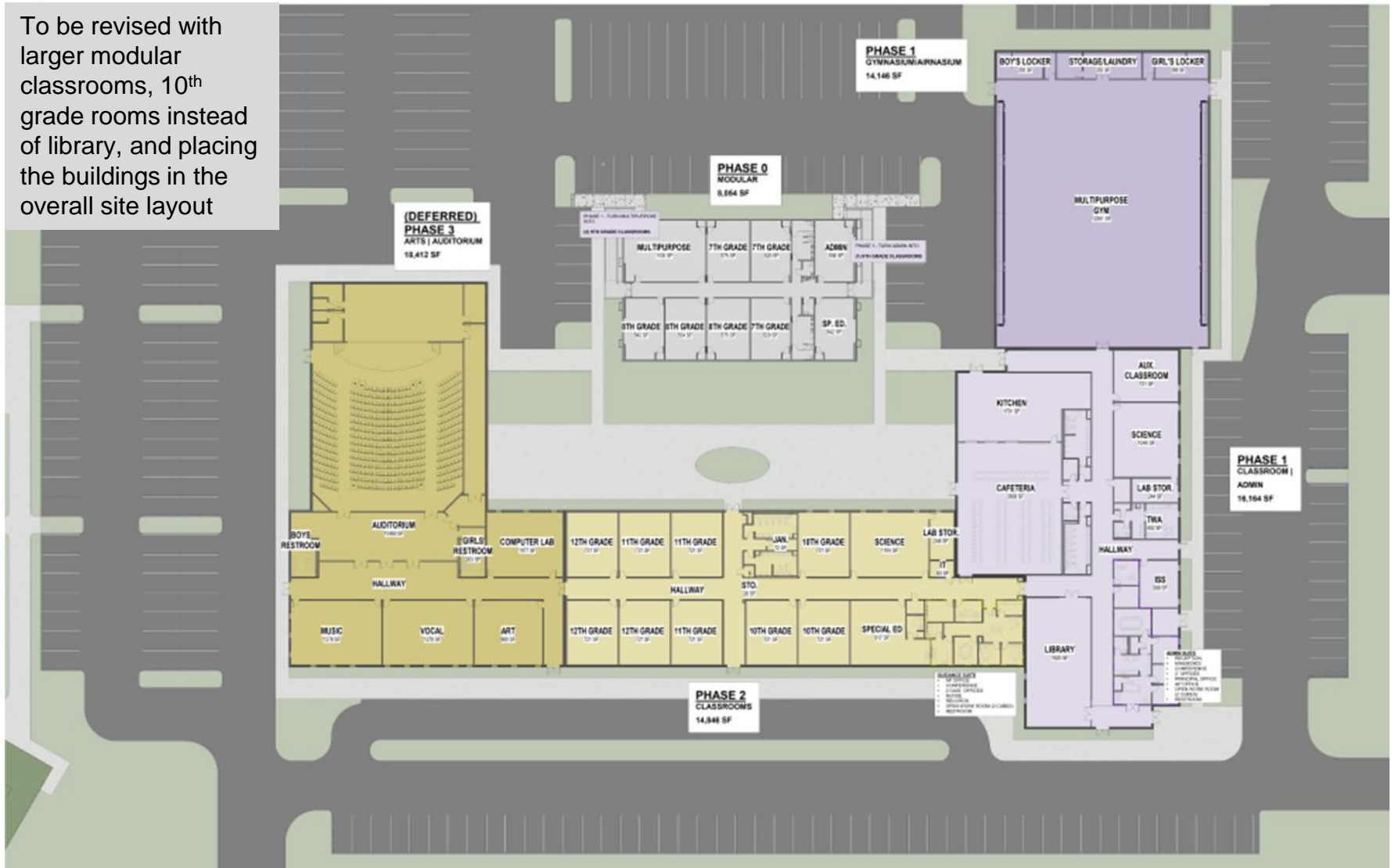
October 23, 2023

Discussion Topics

- Riverside Project Summary
 - Masterplan Update
 - Timeline & Key Phases
 - Project Budget
 - Financing Sources
- Financial Model Review
- Next Steps

Updated Riverside Masterplan

To be revised with larger modular classrooms, 10th grade rooms instead of library, and placing the buildings in the overall site layout



Riverside Master Plan Summary of Scopes by Phase

Phase 0 (Summer 2024 delivery)

- Installation of permanent modular trailers to include: 6 classrooms, multipurpose space, admin office & SPED room
- Site work limited to parking, site access, and necessary infrastructure for modular classrooms
- Outdoor field/program space available based on minimal re-grading/sodding (budget dependent)

Phase 1 (Summer 2025 delivery)

- Construction and delivery of 8¹ classrooms, cafeteria/kitchen & administrative spaces
- An attached gymnasium is included with locker room space
- Additional site work for outdoor program space, etc.

Phase 2 (Summer 2027 delivery)

- Construction and delivery of 11 classrooms and library²

Deferred Scopes (timing TBD)

- Auditorium, additional specialty classroom spaces for the Arts, etc.
- Additional site work for fields, etc.

1) Includes converting the multipurpose space and admin office from Phase 0 into 3 classrooms

2) Results from converting 3 classrooms from Phase 1 into the library

Phases 0 & 1 Key Milestones

Key Milestones	Date
Release Geotechnical Engineer	November 2023
Release Architect for Design	November 2023
Release RFP for General Contractor	November 2023
Order Modular Classrooms	December 2023
Close on Phase 0 Financing	January 2024
Close on Riverside Site	January 2024
Finalize Phase 0 Construction Budget	January 2024
Permit Submission – Phase 1	March 2024
Construction Mobilization	March 2024
Finalize Phase 1 Construction Budget	May 2024
Close on Phase 1 Financing	May 2024
Phase 0 Substantial Completion	June 2024
Phase 1 Substantial Completion	June 2025

Preliminary Project Sources & Uses by Phase

- The below project budget is based on preliminary pricing estimates as informed by the updated Fleming master plan, pricing guidance from Chris Woods, and quotes from Vesta for the modular classroom building in Phase 0
- We intend to use the detailed design development phase to continue to find ways to lower overall project costs and refine the base vs deferred scopes
- The financing assumptions are based on construction loans to fund Phases 0 and 1, to be taken out by USDA financing at substantial completion (Summer 2025) which would also refinance out all existing debt (~\$6.0MM) and a subsequent USDA loan to fund Phase 2 project costs
- Clarksdale's assumed equity contribution for Phases 0 and 1 is \$500k and Phase 2 is another \$500k

Total Project Summary	Phase 0	Phase 1	Phase 2	Total
Total Square Feet	10,000	26,600	14,900	51,500
Enrollment	150	150	140	440
Acquisition Costs	\$0.11M	\$0.00M	\$0.00M	\$0.11M
Hard Costs	\$2.26M	\$7.52M	\$3.89M	\$13.66M
Soft Costs	\$0.27M	\$0.89M	\$0.68M	\$1.84M
Contingencies	\$0.18M	\$0.60M	\$0.31M	\$1.08M
Total Costs	\$2.81M	\$9.00M	\$4.88M	\$16.69M
Transaction Costs	\$0.14M	\$0.38M	\$0.28M	\$0.80M
Capitalized Interest	\$0.00M	\$0.00M	\$0.14M	\$0.14M
Total Project Costs	\$2.95M	\$9.38M	\$5.30M	\$17.63M
Senior / Subordinate Debt	\$2.70M	\$9.13M	\$4.80M	\$16.63M
Equity	\$0.25M	\$0.25M	\$0.50M	\$1.00M
Total Project Sources	\$2.95M	\$9.38M	\$5.30M	\$17.63M
<i>Cost per Square Feet</i>	\$295	\$352	\$346	\$340
<i>Cost per Student</i>	\$19,700	\$62,500	\$36,900	\$39,700

Financing Update

USDA

- Since a USDA financing requires a construction lender to fund draws through substantial completion, the current approach is to work with the same construction lender(s) for Phase 0 and Phase 1, all of which would be refinanced out by the USDA in Summer 2025
 - The two phases would require separate closings, but utilizing the same lender(s) should make for more efficient underwriting and closing processes.
- We have begun providing Hope the necessary initial underwriting materials as the potential lead construction lender and will reach out to other potential lenders to assess interest and terms.
- We are submitting the pre-application to the USDA this week.

EFF

- As a potential hedge against the USDA underwriting process, we have begun working through EFF's initial screening process.
 - EFF could provide a permanent financing solution for all phases of work at Riverside as well as refinance out the existing debt from the West 2nd Street project.

Foundation

- We have had preliminary conversations with a Foundation about the potential for their financing the Riverside project (under highly favorable terms).

New Market Tax Credits

- We have had initial conversations with a couple of NMTC allocatees and will continue to test for viability and availability.

Updated Long Term Projections Model

	PRELIM	BUDGET	PROJECTED					
	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Enrollment	525	600	675	750	825	895	965	965
FTEs	77.0	90.0	96.5	109.5	120.0	128.0	134.5	134.5
Revenue								
State and Local Funding	4,566,046	5,286,625	6,066,402	6,875,256	7,714,037	8,535,933	9,387,619	9,575,371
Federal Grants (non-ESSER)	1,632,293	1,839,165	2,114,879	2,408,128	2,697,488	2,981,057	3,274,890	3,340,388
Federal Grants (ESSER)	732,682	2,546,603	1,339,078	0	0	0	0	0
State Grants	232,302	135,205	300,000	300,000	300,000	300,000	300,000	0
Contributions	206,000	400,000	400,000	500,000	400,000	300,000	100,000	100,000
Other Income	36,074	35,750	36,465	37,194	37,938	38,697	39,471	40,260
Total Revenue	7,405,397	10,243,348	10,256,825	10,120,579	11,149,463	12,155,687	13,101,980	13,056,020
Expenses								
Salaries - School & Stipends	3,108,654	3,764,698	4,069,268	4,793,987	5,376,376	5,818,439	6,254,744	6,348,565
Employee Benefits	720,315	1,041,996	1,173,010	1,391,199	1,570,724	1,707,565	1,836,608	1,868,828
Purchased Professional & Tech Services	909,736	1,126,818	939,730	441,490	466,243	490,727	516,003	526,323
Purchased Property Services	294,001	366,600	392,355	481,053	490,674	500,488	608,879	621,057
Other Purchased Services	528,974	687,892	766,342	871,130	955,858	1,039,051	1,125,189	1,147,692
Supplies	692,292	938,474	838,802	485,561	500,843	534,565	550,667	561,680
Property	57,438	0	397,929	50,000	50,000	50,000	50,000	50,000
Depreciation	320,180	241,145	373,308	391,975	401,575	400,915	378,502	279,414
Interest Expense	283,147	272,733	256,628	810,038	801,539	960,719	982,987	954,580
Other	96,991	291,595	277,560	299,463	335,916	371,635	408,648	287,261
Total Expenses	7,011,728	8,731,950	9,484,933	10,015,897	10,949,748	11,874,104	12,712,227	12,645,400
Net Income / (Loss)	393,669	1,511,398	771,892	104,682	199,715	281,584	389,753	410,620
Beginning Cash	1,511,766	1,813,799	1,424,198	2,417,984	2,681,633	3,039,415	3,403,937	3,809,753
Cash Flow Adjustments								
Net Income / (Loss)	393,669	1,511,398	771,892	104,682	199,715	281,584	389,753	410,620
Total Cash Flow Adjustments	(91,636)	(1,901,000)	221,894	158,967	158,067	82,938	16,063	(140,567)
Ending Cash	1,813,799	1,424,198	2,417,984	2,681,633	3,039,415	3,403,937	3,809,753	4,079,806
Days Cash on Hand (DCOH)	99	61	97	102	105	108	113	120
Total Debt Service	363,946	393,435	398,042	995,046	995,046	1,203,696	1,245,426	1,224,561
Cash Flow Available for Debt Service	996,996	2,025,276	1,401,828	1,306,695	1,402,829	1,643,218	1,751,242	1,644,614
Debt Service Coverage Ratio (DSCR)	2.74x	5.15x	3.52x	1.31x	1.41x	1.37x	1.41x	1.34x
<i>Total Debt Service as a % of State / Local</i>	<i>8.0%</i>	<i>7.4%</i>	<i>6.6%</i>	<i>14.5%</i>	<i>12.9%</i>	<i>14.1%</i>	<i>13.3%</i>	<i>12.8%</i>
Affordability Checks								
DSCR Coverage Gap at 1.30x	0	0	0	0	0	0	0	0
DCOH Gap at 60	0	0	0	0	0	0	0	0
Additional Required Philanthropy	0	0	0	0	0	0	0	0
Cumulative Add'l Req'd Philanthropy	0	0	0	0	0	0	0	0

The current projections reflects the recent \$1.5MM CSP award.

The current model assumes total fundraising over the next five years of \$2.0MM, which has been sized to solve near term affordability challenges and fund assumed equity contributions.

At full enrollment Debt Service as a % of State / Local Funding is ~13.0%, which is slightly higher than the target of 12% or less.

Next Steps

- Execute contract with Fleming and begin detailed design development
- Issue RFP for General Contractor
- Finalize diligence on the Riverside site (i.e., geotechnical reports based on finalized masterplan)
- Continue lender engagement and outreach
- Support fundraising efforts
- Explore need to reconstitute Clarksdale's Facilities Taskforce / Committee

Reference Slides



Summary Project Timeline by Phase

Activity / Phase	2023												2024												2025												2026												2027											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Master Planning & Feasibility Planning																																																												
Acquisition																																																												
Charter Renewal & HS Application																																																												
7th Grade Modular Install																																																												
Lower School Debt Due																																																												
Phase 0 - Modular Building & Site Work																																																												
Design																																																												
General Contractor Procurement																																																												
Bidding & Permitting																																																												
Financing																																																												
Site Work																																																												
Modular Classrooms Order & Delivery																																																												
Occupancy																																																												
Phase 1 - Cafeteria, Gym, 10th Grade Classrooms																																																												
Design																																																												
Bidding & Permitting / Final GMP																																																												
Financing																																																												
Construction																																																												
Occupancy																																																												
Phase 2 - Classrooms for Grades 11-12																																																												
Design																																																												
Bidding & Permitting / Final GMP																																																												
Financing																																																												
Construction																																																												
Occupancy																																																												

	SY24-25	SY25-26	SY26-27	SY27-28	SY28-29
7th	Phase 0	Phase 0	Phase 0	Phase 0	Phase 0
8th	Phase 0	Phase 0	Phase 0	Phase 0	Phase 0
9th		Phase 0	Phase 0	Phase 0	Phase 0
10th			Phase 1	Phase 2	Phase 2
11th				Phase 2	Phase 2
12th					Phase 2

Represents which building will house the primary grade level classrooms