

How were the cost estimates determined for Big Walnut's proposed two new school buildings?

Tremendous research and expertise went into arriving at solid cost estimates. Our district's community-based Facility Committee, comprised of residents and school personnel, worked with a professional architectural firm to determine a budget for our new schools. That means every step of the way residents on the committee questioned cost estimates.

Is it true that our building would cost more than the high school that Olentangy currently has under construction or than Buckeye Valley's new elementary schools?

No, not necessarily. When all of the costs for both projects are fully accounted for then our costs are comparable and competitive. In fact, when adjusted for size and inflation using OFCC data, the Olentangy HS built three years later would actually be projected to cost about \$87.8M - same as the Big Walnut HS. Adding in the \$2M that we have included for land would make the project just shy of \$90M.

What are the biggest cost differences between Olentangy's new high school and Big Walnut's proposed new high school?

- **Olentangy is using the same high school design and therefore they save on architectural and design fees.**

The new Olentangy HS is currently under construction - it was bid in 2016 using a school design the district had utilized previously (which saved them considerably on architectural and design fees). In fact, this is the third time Olentangy is building the same building. Working from the same design is a benefit that we do not have.

- **Olentangy's high school is smaller and their costs do not include the purchase of land.** Olentangy's high school is expected to serve fewer students than the proposed Big Walnut HS and therefore is would include less classroom spaces. Moreover, Olentangy purchased land for their high school site more than 10 years ago. Our bond issue includes funds for the purchase of land whereas theirs did not.

- **Inflation matters.**

One of the biggest reasons for the difference in building costs is inflation. The average annual inflation rate for state-funded schools in Ohio since 2008 is 2.27% (a time period that included the recession). The Big Walnut construction costs assume an average 2.5% annual inflation rate. The budget to build a school three years later, for example, would increase 7.5%.

What are the cost differences between Buckeye Valley's elementary construction costs and our proposed new elementary?

Our costs are comparable. Buckeye Valley is currently building two elementary schools. The new Buckeye Valley East Elementary School is the school building with a lower cost. Buckeye Valley will reuse an existing wing to house students and will accommodate additional students in a new attached building at a cost of approximately \$13.6M. Adjusted for inflation, the Buckeye Valley East Elementary School would cost \$15M by 2021. Our building, which would not include an existing wing, is budgeted at \$16M.

What are other factors that can affect the cost of school construction?

In general, other factors that can impact the cost of school construction include, but are not limited to: size of building(s)/number of students, amenities, cost of materials, cost of labor, cost of land acquisition, and cost of utility service.

Is Big Walnut using trusted budgeting guidelines?

Absolutely.

We use industry standard benchmarks. Our architects based budgets on the guidelines provided by the *Ohio Facilities Construction Commission (OFCC)*, a group that participates in funding the construction of more Ohio schools than any other single authority. For this reason, their cost estimates are the industry standard benchmark for Ohio. The opinions of probable cost and all assumptions prepared for our district utilized the most current available OFCC data.

OFCC recommends budgeting 16.29% for non-construction costs. Non-construction costs include land surveys, environmental testing, permits, special inspections and testing, builders risk insurance, bond fees, professional design fees, printing bid documents, advertisement to bidders, etc.

As the projects are under construction, we would look for cost effective ways to reduce costs while balancing quality and community expectations given the opportunity. In addition, we will work hard to make sure our projects stay on time and within budget.

Opinion of Probable Cost* - New High School

<u>SOURCE OF COST</u>	<u>QTY</u>	<u>UNIT</u>	<u>COST/UNIT</u>	<u>TOTAL COST</u>
Basic Building	295,344	sq ft	\$188.92	\$55,796,388.48
Basic Site Work	295,344	sq ft	\$23.74	\$7,011,466.56
Supplemental Facilities				
Auditorium	8,500	sq ft	\$206.65	\$1,756,525.00
Athletic Facilities**				\$8,366,688.92
Grading/Utility Allowance				\$637,600.74
Non-Construction Costs***			16.29%	\$11,984,333.04
Site Acquisition Allowance				\$2,000,000.00
Septic Allowance				\$250,000.00
<u>TOTAL</u>				87,803,002.74

*Opinion of Probable Cost utilizes Ohio Facilities Construction Commission (OFCC) and proprietary cost data and has been calculated for a capacity of 1,851 students.

**Athletic facilities to include athletic building, turf field, track, bleachers, tennis courts, and baseball and softball fields. Athletic facilities would be comparable to the rest of the Ohio Capital Conference (OCC), which is the 32-school athletic conference in which Big Walnut competes.

***Non-Construction Costs include professional design services, legal fees, building permits, insurance, etc.