

# Francisco School Repurposing

Task Force Final Report

June 2017

Revision 1

This report summarizes the findings of the Task Force commissioned by the Francisco Community to compile and report comparative information in the development of a plan for the repurposing of the former school facility.



## Purpose

The former school facility is currently owned by Stokes County. Upon closure of the school in 2015, the county and the community entered into a Memorandum of Understanding (MOU) seeking a long-term plan for the facility to continue to serve the citizens of the area.

A Task Force was commissioned by the community on 01/22/17 and charged with the collection and organization of information gathered by the community pertaining to potential beneficial reuse ideas and options. This data was to include:

- Uses and associated revenue
- Estimated operating costs in support of the identified uses
- Estimated capital costs needed to meet use requirements

The following sections of this report outline the findings of the Task Force presented to the community in fulfillment of the commissioned task.



Facility Layout  
No Scale

**FIGURE 1**

**Buildings that make up the facility and the year in which each was built**



## *Potential Uses*

The community identified multiple potential uses of the facility. The Task Force asked for Champions to volunteer to gather information on each potential use and develop the viability of the use. Ideas that did not receive enough support to obtain a Champion were not pursued. The potential uses were divided into two categories; continuous revenue, and event driven.

### **Continuous Revenue**

While some of the continuous revenue opportunities may be viable, no firm commitments from operators or renters were obtained. Champions were not able to confirm that any should be included in the community's plan. Therefore, no revenue or operating costs from these sources are included in the financial summary section of this report.

The continuous revenue potentials championed were:

- Adult Day Care/Day Healthcare
- Food Pantry
- Convenience retail with attached take out deli/cafe
- Commercial\Office
- Community Church

### **Event Driven**

Champions for the event driven opportunities received some level of concurrence from operators\instructors\users as to interest and possible participation. These are largely dependent on timing, cost to participate, and facility condition. For purposes of financial planning, an estimated revenue from events is included in the financial summary section of this report.

The event driven potentials championed were:

- Computer and Broadband Training
- Music & Art Events
- Commercial Kitchen
- Homegrown Specialized Classes i.e. fly fishing, kayaking



## *Zoning and Code Compliance*

For the facility to be used for purposes other than the current zoning as an elementary school, an engineered plan must be presented to the Stokes County Planning and Zoning Boards for consideration. The County would evaluate the engineered plan and, if accepted, would identify the necessary steps for rezoning as required for the intended purposes. For the County to consider the plan, it must be comprehensive for the entire facility as mixed uses would impact the zoning requirements. If the plan is approved, the County will identify all areas of the facility that will require modifications, to be in compliance with the current codes for the intended purpose. These code requirements vary dependent upon the approved use therefore, the County cannot provide definitive modifications without a specific plan to consider.

## *Capital Cost Estimate*

As described above, there will be areas of the facility that will require modifications to be in compliance with current codes for the change in use as well as correction to areas that need maintenance and normal repairs. The total capital improvement cost estimate for the facility is \$235,840. The estimate is detailed below and the total is included in the Financial Analysis presented in Attachment 1.

The actual cost that will be required to comply with appropriate codes cannot be determined until the use plan is presented and approved. This estimate, therefore, may not capture all costs that would be required.

### **Exclusions from Estimate**

Asbestos Abatement – No asbestos assessment has been performed on the facility in its current condition. It is unclear what asbestos remediation, if any, has been conducted during the history of the facility. Any use of the facility would require an asbestos assessment and potential abatement. Due to the uncertainty of the facility's asbestos condition, no allowance was included in the cost estimate.

Septic System Expansion – No allowance was included in the estimate for septic system expansion. This is further discussed in Special Facility Considerations below.

Agriculture Building – No allowance was included in the estimate for this building. Much volunteer work and material has been expended to make this building usable. However, there could be additional costs associated with this building depending on the selected end use. The building currently has no operating rest rooms or potable water.

Facility Grounds – The community has transitioned the school playground into a community park and walking trail through volunteer labor and material donations. For this reason, the estimate includes no further capital improvement allowance for the grounds.



### Estimate basis

In 2008 sfl+a Architects performed an assessment of the facility. This assessment was for continued operations as an elementary school and is used as a reference here only for notations of general facility conditions observed in 2008. Due to the age of the assessment and its focus on educational space utilization, no costing information from this assessment was used in the cost estimate for capital improvements. Among the key issues identified to address for continued operations as a school were the following observations that may apply to non-school uses:

- “Toilets are insufficient to serve students and staff.”
- “...The cafeteria/kitchen portion of the building is in rough shape due to its age. This building should be demolished and replaced with a classroom addition as well as a kitchen and cafeteria addition to the 1970’s building.”
- “Site circulation is a challenge and additional parking should be added.”

In July of 2015, prior to the school closure, Moorefield Engineering, P.C. of Winston-Salem, NC completed a facility evaluation for Stokes County. The evaluation divided the facility into the three areas as shown on Figure 1; The Main Educational Building, The Educational Building/Cafeteria, and the Gymnasium. The dates of construction are shown for each area on Figure 1. Recommendations were made for each area for Immediate Requirements (1-3 years), Mid-Range Requirements (3-7 years), and Long-Range (7+ years).

It was recommended that both the Main Education Building and the Education/Cafeteria Building be demolished and replaced due to reaching the usable lifespan. The Education Building/Cafeteria Building first in the intermediate stage and the Main Education Building in the Long-Range stage.

While this evaluation did not contemplate a change in the use of the facility, it did provide updates recommended for maintaining an operable facility. For that reason, as well as the fact it was a relatively recent evaluation, some of the costing data was used in support of the capital cost estimate.

The estimate includes an allowance for engineering and permit work throughout the refurbishing process. These services are estimated at 10% of the total estimated capital improvement costs.

The cost estimate is summarized below.



## Capital Improvement Cost Estimate

### Main Education Building

<u>Room</u>	<u>Description</u>	<u>Estimated Cost</u>
Office		\$0
Media Center	Glass Storefront Replacement	\$7,000
Teacher's Lounge	Painting	\$1,000
Staff Restrooms	Painting	\$1,000
Workroom	Painting	\$1,000
Computer lab	Painting	\$1,000
3 Classrooms	Ceiling tile replacement	\$1,200
Classroom	Ceiling tile replacement & new carpet	\$3,200
Roof	Repairs	\$45,000
Exterior	Downspout replacements and repairs	\$5,000
Mechanical	Replace 3 units	\$45,000
ADA Issues	Provide 2 ADA compliant restrooms	\$25,000
Code Upgrade Allowar	Allowance for Code items yet unidentified	\$25,000
<b>Total Main Education Building</b>		<b>\$160,400</b>

### Education Building/Cafeteria

<u>Room</u>	<u>Description</u>	<u>Estimated Cost</u>
2 Classrooms	Painting	\$2,000
Cafeteria	Replacements needed for items removed	-
Exterior	Allowance	\$5,000
Code Upgrade Allowance		\$5,000
<b>Total Education Building/Cafeteria</b>		<b>\$12,000</b>

### Gymnasium

<u>Room</u>	<u>Description</u>	<u>Estimated Cost</u>
Gym	Painting	\$10,000
Restrooms	Partitions & painting	\$4,000
Exterior	Soffit repairs	\$3,000
Mechanical	New electric heatters (2)	\$20,000
Code Upgrade Allowance		\$5,000
<b>Total Gymnasium</b>		<b>\$42,000</b>

Engineering and Permitting		\$21,440
<b>Total Estimated Capital Improvements</b>		<b>\$235,840</b>



## *Special Facility Considerations*

### **Insurance**

Due to the current condition of the property, the task force was unable to find a company that would provide a formal quote for building and general liability insurance. Before they will provide a quote for the property it must be in compliance with appropriate codes for occupancy and use. Prior to necessary capital improvements, obtaining insurance may be difficult.

An estimate of premium cost for coverage after the facility meets all requirements is \$15,000 annually at a coverage limit of \$2,300,000. The liability premium is estimated at \$1,500 annually for \$1,000,000 in coverage. These estimates have been used in the financial analysis section. The amount of coverage needed, age of the buildings, location of the building (protection class 9), etc. all play a role in the actual premium amount.

### **Septic System**

The existing facility septic system was tested and found to be fully functional and can be operated under the current permit. Capacity of the existing system will not support many of the use potentials that were explored. An investigation was conducted of the on-site soils and they were found to be suitable for expansion of the leach field to increase the system's capacity if required.

There is a requirement to have an emergency field which is an area of adequate size and soil type to replace the leachate field should it become necessary. While there is likely adequate area for expanding the leach field, the requirement for an emergency field could require arrangements for an off-site area to serve this role either by purchase or easement. This would be dependent upon the final use selected for the site. No cost was included for expansion of the septic system as this should be an evaluation on a case by case basis to determine the size and cost for each application.

## *Facility Operations Costs*

Facility operations costs have been estimated and included within the Financial Summary section of this report. No firm commitments from operators or renters have been obtained for continuous revenue sources. Therefore, no associated operating cost are identified or included in the operations costs.

### **Estimate Basis**

Sources for the operations cost estimate include:

- Actual costs for operations of Spencer-Penn (former school facility)



- Actual monthly costs for power paid by the County to Duke Energy
- Preliminary insurance quote contingent on capital improvements

## Grants

A number of grants have been explored however, there are no current grant submittals in place. One potential grant to assist with capital improvement cost is from the USDA. There are grants available to assist the rural communities with improvement projects. The grant must be in conjunction with a loan or other means to support the work.

Since there are no pending grants, no revenue has been added in the Financial Analysis for grants.

## Financial Analysis

See Attachment 1 for summary of cash flow analysis.

## Summary of Findings

- No firm commitments from operators or renters were obtained for continuous revenue uses. Some potential for event driven revenue and sponsorships was found but, estimated to be less than \$15,000 annually.
- Cost to improve the facility for generic reuse is estimated to be \$235,840.
- The estimated annual operations cost to revenue results in a **deficit** of approximately \$35,000 annually.
- Special conditions of asbestos abatement and septic system expansion need to be further developed for any reuse of the facility.



## Attachment 1 – Financial Analysis

Projected	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	% of Total
<b>Fiscal Year July 2017 - June 2018</b>														<b>Op. Income</b>
<b>BEGINNING CASH</b>		-1,263	-2,472	-2,975	-3,311	-2,608	-2,864	-3,744	-4,575	-4,310	-4,792	-5,151	0	
<b>OPERATIONAL INCOME:</b>														
Special Events	0	0	0	0	1,000	0	0	0	1,000	0	0	3,402	5,402	60%
Workshops/Seminars	300	300	300	300	300	300	300	300	300	300	300	300	3,600	40%
Income Stream 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Income Stream 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
<b>TOTAL INCOME (Operations)</b>	300	300	300	300	1,300	300	300	300	1,300	300	300	3,702	9,002	100%
Stokes County Funds														
Sponsorships	0	0	0	0	0	0	0	0	0	0	0	5,700	5,700	
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loan													0	
Equity													0	
<b>TOTAL CASH IN</b>	300	300	300	300	1,300	300	300	300	1,300	300	300	9,402	14,702	
<b>CASH OUT:</b>														
<b>Refurbishing Expenses</b>	0	0	0	0	0	0	21,440	27,000	27,000	53,400	53,400	53,600	235,840	
<b>Operating Expenses:</b>														
Contract Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Salaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Payroll expenses (taxes,etc.)													0	0%
	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Rent/Mortgage													0	0%
Credit Card Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Insurance	0	0	0	0	0	0	0	0	0	0	0	16,500	16,500	183%
Telephone (Bundle with Internet)												1,250	1,250	14%
Internet Services													0	0%
Duke Energy	1,413.00	1,509.00	803.23	635.61	597.39	555.61	1,029.81	1,131.36	1,035.35	781.65	659.09	1,413.00	11,564.10	128%
Waste Services	150						150						300	3%
													0	0%
Facilities Maintenance												10,745	10,745	119%
Monthly Loan Payment													0	0%
													0	0%
<b>TOTAL CASH OUT</b>	1,563	1,509	803	636	597	556	1,180	1,131	1,035	782	659	33,484	43,936	488%
<b>CASH FLOW</b>	-1,263	-1,209	-503	-336	703	-256	-880	-831	265	-482	-359	-29,782	-34,934	
<b>ENDING CASH</b>	-1,263	-2,472	-2,975	-3,311	-2,608	-2,864	-3,744	-4,575	-4,310	-4,792	-5,151	-34,934	-34,934	