

MEMORANDUM

TO: Mike Elliott, Asst. Supt., Support Services
Clay County District Schools

FROM: Ken Creveling

SUBJECT: School Capital Cost Analysis

DATE: June 19, 2006

This memorandum summarizes our analysis of local experience with capital costs of new schools constructed in the past several years in comparison to the latest FDOE student station cost factors released in May 2006.

Clay County Schools Evaluated

This analysis is based on the actual cost experience for eight Clay County schools:

- Thunderbolt Elementary (1999)
- Rideout Elementary (2000)
- Swimming Pen Creek Elementary (2002)
- Argyle Elementary (2003)
- Coppergate Elementary (2005)
- Oakleaf Elementary (2005)
- Lake Asbury Junior High (2004)
- Fleming Island High (2001)

Construction Cost Factors

National and regional construction costs are monitored and analyzed by the publishers of Engineering News Record, a leading national construction and development industry publication. They produce a Construction Cost Index and a Building Price Index showing monthly and annual changes in costs of labor and materials for twenty cities, including Atlanta, which is the nearest and considered the most applicable to the Jacksonville area. Annual changes in and cumulative effects of the Atlanta CCI are shown in the table below. Percentage increases are based on December indices for 1999 through 2005. The percentage increase for 2006 is estimated by URBANOMICS.

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Year	CCI Increase Over Prior Year (%) ⁽¹⁾	Cumulative Increases to 2006	
		No. Years	Percent
1999	—	—	
2000	6.7	7	30.7
2001	(1.5)	6	27.3
2002	3.6	5	24.6
2003	4.4	4	20.6
2004	5.4	3	16.1
2005	4.7	2	9.6
2006	4.7	1	4.7

Clay County School Cost Analysis

Original costs and numbers of student stations for each school were provided by the Clay County School Board. Costs include all construction and development costs, except land, for all eight schools and furnishings and equipment costs (FF&E) for six of the eight schools. For the other two schools (Coppergate and Oakleaf), FF&E costs were estimated by URBANOMICS based on an assumed \$1,500 per student station, which is comparable to the other schools for which FF&E cost data was provided. Original costs per student station were brought forward to 2006 based on cumulative percentage changes in the Construction Cost Index shown above. Original and current 2006 costs per student station for each of the eight schools are shown in the table below.

School	Year Contracted	No. Student Stations (SS)	Original Cost per SS (\$)	2006 Cost per SS (\$)
<i>Elementary Schools</i>				
Thunderbolt	1999	860	10,097	13,197
Rideout	2000	621	12,810	16,307
Swimming Pen Creek	2002	562	18,362	22,145
Argyle	2003	562	20,494	23,794
Coppergate	2005	654	22,648	23,712
Oakleaf	2005	1,633	14,730	15,422
Weighted Average		4,892		17,985
<i>Middle Schools</i>				
Lake Asbury Junior High	2004	1,106	16,874	18,494
<i>High Schools</i>				
Fleming Island High	2001	1,231	20,663	25,746

A weighted average current 2006 cost was determined for the six elementary schools. These current costs per student station by type of school are as follows.

- Elementary: \$17,985
- Middle: \$18,494
- High: \$25,746

Comparison to FDOE Student Station Cost Factors

Student station cost factors used in the existing Clay County school impact fee report are based on an older series released by the FDOE. A new cost series was released by FDOE in May 2006 in which student station cost factors are substantially higher than before. Whereas local cost experience could be shown to be much higher than the old FDOE student station cost series, there is little difference between the new FDOE series and current 2006 costs derived for Clay County schools, as shown below.

Type of School	FDOE Student Station Cost Factors for June 2006 \$(1)	Current 2006 Costs per Student Station for Clay County Schools (\$)
Elementary	18,057	17,985
Middle	19,500	18,494
High	25,328	25,746
Weighted Average (2)	20,338	20,225
(1) FDOE cost series released May 2006		
(2) Weighted average cost based on 55-17-18 percent distribution of enrollment		