

February 17, 2016

We are excited that after many years of having to "make do" with our gym, CCA has received a commitment from CCSD to include CCA in the 2016 bond initiative for approximately \$5 million to construct a new gym and classroom. The CCA leadership team and board have worked closely with the District over the last few years to build a strong and healthy relationship and to communicate the needs of our facilities, especially with respect to needing a regulation size gym. We are pleased to be included among the District's list of construction projects for the November 2016 bond initiative. CCSD has had a successful history of passing bond initiatives with the last one succeeding in 2012. The District does an excellent job of educating the voters on the need for construction in the schools to maintain a high quality of education.

This is a huge project for CCA and it takes time and effort as well as advance planning. The CCSD Long Range Facility Planning Committee took a tour of our facilities and we have input from our architects and construction project managers who worked on the middle school addition in 2010. The CCA leadership team and board have been working collaboratively to look at potential timelines and strategies for managing this project in the most cost effective manner and causing the least amount of disruption to students and staff during the construction. The permitting process alone takes over a year and the actual building phase will likely be about 15 months. In order to minimize the impact to the students, we are looking at beginning the construction in the month of May (either 2017 or 2018) so that the 15 months can include two summers and only one school year.

As with any major construction project, attention to managing costs is crucial. Risks have to be evaluated and mitigated. The CCA leadership team and board are currently doing due diligence to look at various options including having some initial architectural drawings done in advance. This option would cost approximately \$60,000 and would allow the bidding and construction process to begin in the Spring of 2017 with a targeted completion date in the Summer of 2018. By working in advance, we hope to manage the risk of escalating construction costs. In 2014, construction costs in the Denver area increased 4.7% in one year. On a \$5 million project, that is \$235,000. The escalation may be higher considering that numerous CCSD school projects will come online at approximately the same time, driving up demand without an increase in the number of contractors. Being prepared to initiate our new gym project in a timely fashion after a successful bond initiative is one of the ways we are strategically thinking. CCSD has a perfect track record with past bond elections (20 out of 20) and a near-perfect track record with mill levy elections (9 out of 10). It should be noted the gym construction would be funded by a bond election. In spite of the 100% success rate with bond elections, there is always the risk that the bond will not pass this year. It should also be noted that architectural drawings are usually only good for 2-4 years. The other option is to wait until the bond is officially passed and delay the start of the project until the Spring of 2018 with a targeted opening date of 2019 and take the risk that we could have an increase in the cost of the construction. The board is discussing both options and also seeking input from the District, architect and other industry experts.

CCA has always operated in a fiscally conservative manner and has been saving for this project, as well as other school priorities, for some time. Two years ago, our CCA board tasked the leadership team with determining 10-year plans in the vision-critical areas of 1) school curriculum, 2) technology, and 3) facility/operations. This important work led to a significantly better budget-forward understanding of our future school needs, channeling more money into each of these areas during the past two years, and into the future. Our commitment to the curricula has led to Foss Science in Grades 3-8, our new ReadyGen reading curriculum, and other additions. Our commitment to technology has seen our

annual technology financial allocation nearly tripled since 2014. We have enjoyed the addition of new computer lab hardware/software, 2 Chromebook labs, and replaced bells and intercoms, and school wireless. We have also expanded the field size by 1/3, and we will be improving and relocating the playground and basketball court during the upcoming summer. Most notably, we have done all of this important work while still increasing staff salaries over the past four years at a rate greater than CCSD's salary increases.

A priority for CCA since 2011 has been the replacement of our gym. We realize the need for a standard sized, fully equipped gym as a critical part of the CCA experience for students. This allows for sports, PE classes and assemblies to be better experienced by students and parents alike. We believe that a redesign of the classrooms, including having the music classes moved back inside from the modular building, would also increase the experience for the students. At the project's conclusion, we will also remove the modular building from our campus. Through the diligence and careful financial management of the CCA leadership team, we have been able to consistently add to our reserves to prepare for our contribution to this new facility need.

The CCA leadership team and board will continue to communicate ongoing developments with the new gym. As always, if you have questions or thoughts, please feel free to contact any of the board members or leadership team. You are always welcome at committee meetings and the monthly board meetings. If you have experience in managing large construction projects, as an architect or other relevant stakeholder, and you are interested in being involved with this project, please let us know. One of the unique things about a charter school is the commitment of parents, teachers, staff and leadership to work together to provide excellent education for our children. This major project over the next couple of years will be an opportunity to show our strength as a team working together to expand our facilities and continue the quality education provided for the students at CCA.

Sincerely,

Meredith Quarles
President, CCA Board of Directors

Jay Cerny
Principal/CEO