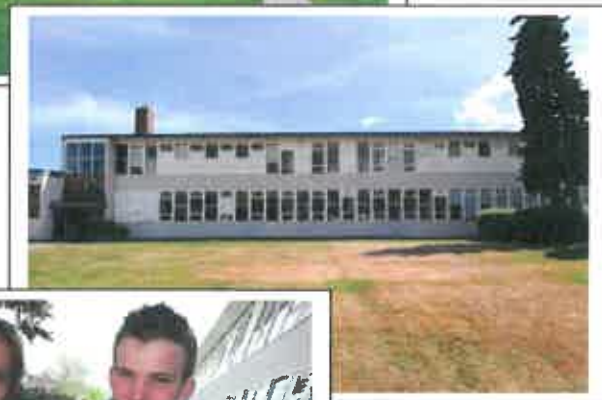


**Cowichan Secondary School
Project Identification Report
30 September 2016**





Cowichan Secondary School Project Identification Report

Executive Summary

BACKGROUND

Ground was broken in 1949 for the construction of Cowichan Secondary School. Now in its 67th year, this facility is by far the oldest Secondary school in the Cowichan Valley School system, having faithfully served thousands of graduating students without a single major renovation. However, the building was designed for an era that did not anticipate modern curriculum delivery, and the wear of almost seven decades is evident. In addition to the limitations of outmoded design, Cowichan Secondary is in urgent need of seismic mitigation and many other building systems upgrades. In consideration of the other school facilities that are competing for limited Maintenance and Capital improvement funding, the time has come to make a decision as to the further viability of Cowichan Secondary as an educational facility.

On the positive side of this ledger, Cowichan Secondary occupies what is arguably the largest and most attractive urban redevelopment site in the Cowichan Valley. Municipal Area Planners have taken note of potential opportunities this site may offer to kick-start an ambitious new urban redevelopment initiative spanning the next 30 years. Part of that initiative sees the realization of a replacement Secondary school located adjacent to the new Vancouver Island University campus on land that the Cowichan Valley School District already owns. Additional elements of this strategy offer attractive solutions to the problem of finding value in other School District properties that are nearing the end of their functional lives.

Over the past decade, the Cowichan Valley School District has examined various potentially beneficial opportunities with Vancouver Island University and local governments. Each opportunity has been evaluated specifically for long term benefit to all parties. We now believe that strategies are in place that could create unique and mutually beneficial synergies, bringing exciting new ideas and opportunities to our students and the broader community.

RESTRUCTURING PLAN – CAPACITY AND ENROLMENTS

School District No. 79 (Cowichan Valley) went through an extensive public consultation process and Restructuring Plan over the 2012/13 school year. Grade configurations were standardized, specialized programs relocated and a number of schools were closed. During this phase of Restructuring, Cowichan Secondary was converted from a grades 10-12 Secondary school to a grades 8-12 Secondary school as of September 2013. Due to the significant increases of two additional grades of students, the Quamichan school facility is being used as a satellite Cowichan Secondary campus. Capacities of the two campuses are 1,000 and 550 respectively. It is anticipated that Cowichan Secondary grades 8-12 enrolments will fluctuate in the range of 1500 students for the foreseeable future.



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SEISMIC RISK

School District 79 commissioned a Seismic Project Identification Report (SPIR) in October, 2015. Based on new information identified in the SPIR, the Ministry of Education (MOE) has suggested that School District 79 submit a Life Cycle Cost Analysis - and supporting documentation – comparing a Cowichan Secondary Seismic Upgrade option with a Cowichan Secondary Replacement School option.

NEIGHBOURHOOD LEARNING CENTRE

The Government of British Columbia has established the Neighbourhood Learning Centres (NLC) program. The Provincial Government's vision for the future of education in British Columbia is one where schools and community organizations partner to create Neighbourhood Learning Centres where people can access educational and community services under one roof.

School District 79 recommends that the Neighbourhood Learning Centre allowance be contributed toward the cost of constructing a Trades Training Centre of Excellence to be located adjacent to and jointly operated by both Vancouver Island University and the new Cowichan Secondary School on a cost-recovery basis. This Trades building is envisioned as a focused facility for combination Secondary, Post-Secondary and specialized skills training.

PROJECT OPTIONS

After extensive research of alternatives, three Project options were developed.

Option A: Seismic Mitigation.

Option B: Replacement - 1000 Capacity.

Option C: Replacement - 1500 Capacity.

Project options were assessed for Educational benefits, compatibility with Long Range Facility Plan (LFRP) objectives, initial Capital investment requirements and Life Cycle operating costs.

It was found that, in concert with implementation of LFRP strategies, Option C: Replacement – 1500 Capacity offered the greatest educational and operating cost benefits, as well as the lowest Life Cycle cost of ownership.

RISK AND RISK MITIGATION

In order to maximize the success of the Capital Project delivery, a number of risks have been identified. The potential risks are identified as Reserve Items in the Order of Magnitude Costs. The Risk items are itemized and costed in the Project Identification Cost Report.



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ORDER OF MAGNITUDE COSTS

Total Project Cost estimates for the three (3) options are summarized as follows:

Cowichan Secondary PIR - Project Options Capital Funding Comparison			
10 August 2016			
	Option A <u>Seismic Upgrade</u> 1550 Capacity dual campus	Option B <u>REPL 1000</u> 1550 Capacity dual campus	Option C <u>REPL 1500</u> 1500 Capacity single campus
Total Project Cost Estimate (excluding Reserve Items)	\$24,456,888	\$45,503,673	\$53,710,440
Reserve Items	\$3,184,602	\$7,301,278	\$8,144,130
Total Project Cost Estimate (including Reserve Items)	\$27,641,490	\$52,804,951	\$61,854,570
less Property dispositions - see Note A	(\$2,355,000)	(\$10,558,600)	(\$15,592,319)
Net Capital Project Funding Requirement	\$25,286,490	\$42,246,351	\$46,262,251

Note A: Refer to Project Options Cost Comparison for properties available to offset costs of each Option

School District 79 is prepared to offset the initial Capital Cost for a Replacement school project. The proceeds of the sale of the existing Cowichan Secondary School property - appraised in 2007 at \$5,590,000 - would be available for this purpose. Recent MOE approval to dispose of three (3) other surplus school properties will allow proceeds of those property sales to be contributed to this project as well. A replacement school would also permit the disposal of additional surplus School District properties, the proceeds from which will be contributed toward the Capital cost of the selected Project option. A detailed summary of estimated contributions is included in the Project Options Cost Comparison included at the end of Chapter 4.

LIFE CYCLE COST ANALYSIS

The results of the Life Cycle Cost Analysis - over 40 years - are as follows:

Cowichan Secondary PIR - Project Life Cycle Cost Comparison			
10 August 2016			
	Option A <u>Seismic Upgrade</u> 1550 Capacity dual campus	Option B <u>REPL 1000</u> 1550 Capacity dual campus	Option C <u>REPL 1500</u> 1500 Capacity single campus
Initial Capital Cost (Year 0)	\$24,456,888	\$45,503,673	\$53,710,440
Escalated Value (Year 40)	\$246,832,835	\$199,651,292	\$182,474,165
Net Present Value (NPV) at Year 40	\$115,058,631	\$107,841,620	\$104,250,481



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RECOMMENDATIONS

It is recommended that School District No. 79 (Cowichan Valley):

1. apply for a Capital Project in the 2016/17 Capital Plan submission for a Replacement school for Cowichan Secondary School:
 - a. with a capacity of 1500 students
 - b. with a total project budget, including reserve items, of \$61,854,570.
2. commence a Neighbourhood Learning Centre stakeholder consultation process to confirm the appropriate allocation of Neighbourhood Learning Centre space for the Replacement School using the Guiding Principles from the Project Identification Report.
3. Undertake further investigation and quantification of the identified potential risks as part of the Project Definition Report upon receipt of approval in principle from the Ministry of Education.