

City of Red Oak and Red Oak ISD Community Partnership



How did we come to this proposed agreement?

1. City of Red Oak Community desire for youth recreation facilities and need for expanded services including library programs, senior services
2. Red Oak ISD need for future growth land purchases and options for use of existing facilities
3. Both entities identified assets that could be exchanged



Basis for Valuation

1. Independent appraisals by both entities to equate values and depreciation
 - ISD used JLL Appraisal for Live Oak land and facilities
 - City used Baxter Appraisal Company for their land

Note: The JLL facility appraisal value was applied to the City facilities

2. Appraisal values include:
 - Existing facilities, land and improvements
 - Variations are based on size, infrastructure, access points, as well as comparable rates



Mutually beneficial asset agreement:

- Meets several current and future needs for both entities

Community amenity gains:

- A community center and youth recreation facilities
- Expanded public library programs
- Activity space for adult and senior services
- Additional space for city services

The ISD gains:

- Land for future schools
- Support service facilities
- Funds to add to fund balance, purchase additional property, or other needs not currently funded





Live Oak Property and Facilities:
Land & Improvements - \$3,900,000
JLL Appraisal



Red Oak ISD

41.5 acres of land	\$640,000
Acorn and Live Oak facilities and all other improvements	
Facilities and improvements minus adjustments for deferred maintenance and to meet code in order to use for students:	\$9,078,423 - \$5,872,415
Total value of Improvements	\$3,206,008
TOTAL Red Oak ISD value (\$3,846,008)	\$3,900,000

Based on appraisal by JLL, 201 Main St. Suite 500, Fort Worth, TX 76102





Hickory Creek Property, Public Works Property and Facilities, plus Vacant Lot Land & Improvements - \$1,547,172

Baxter Appraisal Company and JLL value applied to facilities



City of Red Oak

Hickory Creek: 22.82 acres of land	\$513,450
Public Works: 4.39 acres	\$98,722
Facilities and Improvements	\$883,432
Equipment Shed	\$26,515
Vacant Lot: .597 acres	\$25,000
Cash	\$1,000,000
City of Red Oak Value	\$2,547,172

Based on appraisal by Baxter Appraisal Company, 923 Red Oak Creek Rd., Ovilla, TX 75154
and JLL value applied to facilities and improvements



City of Red Oak

West Side of I-35 Property: up to 24 acres

Land/Cash Option

\$800,000

Added Value of Infrastructure

\$850,720

Access, Street Upgrades, Utilities

- District option to purchase the property or keep the cash
- Location determined, but until agreement confirmed, cannot identify the location or development.
- Located in high density development area, would serve as neighborhood school

City of Red Oak Value

\$1,650,720



Community Partnership

RED OAK ISD

Land and Improvements \$3,900,000

TOTAL \$3,900,000



CITY OF RED OAK

Land and Improvements \$1,547,172

Cash \$1,000,000

Land/Cash Option \$800,000

Sub-Total \$3,347,172

Option: Future infrastructure value \$850,720

TOTAL with Option \$4,197,892



Benefits to Red Oak ISD/Community

Land sites for use as a elementary school sites or other purposes

- Sites are within planned developments with high-population density, multiple access points, and good walkability

Facilities

- Maintenance equipment, landscaping equipment, custodial
- Possible reorganization and relocation of some departments to the new facilities could free up space in the ESC to be used as needed

Cash

- Fund balance, purchase additional property or other needs not currently funded

Reduced impact to our operating expenditures - utilities, custodial, maintenance

Rehabilitation of existing facilities - existing facilities for district use



Benefits to City/Community

Community Services

- Positive impact to youth recreation/sports (baseball, basketball, softball, football, etc.)
- Increase opportunities for public library system and programs
- Activity space for senior programs
- Community performing arts facility

Rehabilitation of existing facilities

- Reduces expenses and exhibits fiscal responsibility of public funds
- Ability to capitalize on existing infrastructure

Impact Economic Development - community offerings, infrastructure, and beautification

City Development - helps accommodate program/space needs for city departments

City of Red Oak and Red Oak ISD Community Partnership = Win/Win

- A Value to Value Partnership Agreement to benefit the entire City of Red Oak, Red Oak ISD and all the communities served
 - Red Oak city amenities will be available to all Red Oak ISD taxpayers
- Responsible utilization of existing facilities and infrastructure
- Reduces duplicating efforts and cost
- Positive effects on the quality of life for the community
- Partnership facilitates efficiency, awareness, opportunities



NEXT STEPS

City to consider approval of Letter of Intent

- Agenda Item on Monday, December 10, 2018

ISD to hold Public Hearing

- Gather community input on Thursday, December 13, 2018

ISD to consider approval of Letter of Intent

- Agenda Item on Monday, December 17, 2018

Finalize Agreement

- Per the final terms of the Letter of Intent – tentative February 1, 2019
- Agreement will outline terms of transaction