

Community Unit School District 200
MEMORANDUM

May 29, 2007

TO: Board of Education

FROM: Gary T. Catalani

RE: Response to Board Directive Concerning Options for the Current Hubble Property

After much reflection and study on the issue of whether we should sell or keep the Hubble property, I have decided that the correct course of action for this Board of Education is to sell the property. Below, I have provided the justification for this recommendation.

1. Future enrollment – Currently our total enrollment is as follows:

Total Elementary School	- 6,026
Total Middle School	- 3,196
Total High School	- 4613
Total District	- 13,835

- In 2004, Dr. Kasarda projected the following enrollment:

Total Elementary School	- 5,800
Total Middle School	- 3,228
Total High School	- 4,598
Total District	- 13,801

Based on the above, Dr. Kasarda's projections have been very accurate and reliable for future planning. His projections through 2014 indicate minor decline in enrollment at all grade levels. Therefore, these projections indicate that our District should have adequate space to house all students in our current buildings, assuming the new Hubble is developed as planned. The data certainly does not support the need to keep Hubble for future expansion. Any future enrollment spikes can be accommodated through the use of mobile classrooms, minor building additions, and/or minor attendance boundary modifications.

2. Jefferson – Jefferson is centrally located and should be renovated or re-built at the current site. Renovating the current Hubble building for use as a pre-school building would be cost prohibitive. Using Hubble as a Middle School has been difficult. Using it as a pre-school would be impossible without significant renovation. Building a new Jefferson on the Hubble site and removing the existing building would add millions to the project. In addition, the value of the Jefferson site does not compare to the value of the Hubble site and would not produce a comparable sale price, EAV increase and/or tax revenue increase. In my opinion, this is also true even if we included the Woodland site and the SSC.

3. Tax burden – This school district is and will continue to be financially challenged. We currently have \$176,614 of EAV behind every child we educate. This ranks us 39 out of 42 school districts in DuPage. Because of this, our tax rate is and will remain high. In my opinion, this district is not in a position to support a new middle school, while at the same time maintaining the current Hubble property. The additional tax burden of maintaining Hubble would be hard to justify, especially when the sale of the property could be used to significantly offset the tax burden. In addition, without additional financial support from the State of Illinois, we will need to successfully pass an education fund referendum in order to continue offering our current level of programming.
4. Property tax implications – Aggressively developing the current Hubble property will have significant impact on our total EAV and tax revenues. Current estimates indicate that a redeveloped Hubble site will increase the EAV of District 200 by \$60,000,000. This increase will produce an additional \$21,235,000 of tax revenue by the year 2026. (This is based on the assumption that our tax rate will continue to decline because of the tax cap. It is estimated that our current rate will decline by an additional \$.10.) This additional tax revenue coupled with the revenue from the sale of the Hubble property and financial support from Warrenville will nearly cover the cost of the new middle school.
5. The current estimate of the construction and land costs for the new middle cost is \$54 million. This will be offset by the revenue generated from the sale of Hubble. Assuming a sale price of \$20 to \$30 million dollars, the taxpayers' burden goes from repaying \$54 million of debt to \$24 to \$34 million of debt. All scenarios which keep the Hubble property as part of District 200 transfers the entire \$54 million tax burden to the tax payers.
6. The development of the Hubble property allows for the completion of much needed infrastructure work along the Main Street corridor. While not our problem to fix, District 200 can become a moving force behind this needed work. In addition, helping to develop the concept of a new gateway into downtown Wheaton seems to be the responsibility of all governmental bodies of our community.
7. District 200 and the Wheaton Park District have and will continue to develop strategies for housing Park District programs currently located at Hubble. We mutually agree that all programs can be housed at other locations.
8. The Hubble alternative use sub-committee will explore all options and gather significant community input. Following their report, this Board of Education, the City of Wheaton and the Wheaton Park District can begin to plan for the next steps. This should be an exciting time for all the involved entities as they creatively plan for the redevelopment of Hubble, which will lead to the determination of the real value of Hubble and the creation of the development concept for the property. In addition, I believe this process will validate my recommendation to sell the Hubble property.

Given all of the above, I believe this Board of Education needs to move forward with the collection of data concerning the sale of and the redevelopment of the Hubble property.