



April 23, 2018

Purchase of Leased Modular Buildings at Burgess Elementary

The modular classrooms that are currently located on the Burgess Elementary School campus are part of the modular buildings that HCS is currently leasing. We currently have leased modulares at BES and at Myrtle Beach Primary School. A singular leased modular building that was located at Aynor Elementary was returned to the leasing company this past summer. These are the only three (3) locations where leased modular units were placed.

Following the removal of the fifth grade classes from Burgess Elementary School to the new St. James Intermediate School this past summer, the main building remains effectively full with a Functional Capacity of 100% based on the 2017-18 45-Day Modified ADM report. This, combined with the continued growth in the St. James area, indicates a very high likelihood that additional classrooms will be imminently needed.

There are four (4) classrooms located in the current Burgess Elementary School modular buildings, plus a restroom unit. Additionally, all of the ramps, sidewalks, and canopies are already in place and are fully functional. Staff believes it would be in the best interest of the District to purchase these two year-old units.

The leasing company has provided a price for the turn-key as-is purchase of the units as shown in the table below. This is approximately 35% of the cost to purchase all-new units including ramps, setup, and delivery, or 45% of the cost for purchasing the classroom units. Prices below are effective through July 31, 2018. If the purchase is not completed by this date, we will be required to renew a 12 month lease.

Unit Size:	Unit Type:	Cost to Purchase:
28' x 65'	Double Classroom (2)	\$75,700.00
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14' x 39'	Restroom Unit	\$36,100.00
	Purchase Price for 4 classrooms and restroom facility:	\$187,500.00
	*Purchase Price plus 8% SC Sales Tax:	\$202,500.00

Note: The remaining leased modular classrooms located at Myrtle Beach Primary School will still be in use through the remainder of the 2018-19 school year. Once the new Myrtle Beach Middle School is open and the reconfiguration of the Myrtle Beach campus schools occurs over the summer of 2019, a decision can then be made on the disposition of these units.