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NORTH STAR LEADERSHIP ADVISORS

Planning for the Future of District-Owned Property

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Executive Summary

Lake County School District (LCSD) has navigated significant change over the past year, bringing its PK–12 school communities together at Lake County Elementary School (LCES) and Lake County High School (LCHS). This consolidation was a major step toward a more efficient facilities footprint. The next phase is an opportunity to take stock, plan for the District's long-term needs, and determine how its facilities can best serve Lake County's future.

The Board has established a shared foundation for that work. Through individual interviews and two public work sessions, Board members identified two foundational obligations and three commitments to guide decisions about District-owned property. The next step is to translate those priorities into a coordinated set of facility and funding options.

Decisions about Pitts Elementary and Lake County Intermediate School (LCIS) involve more than the future of two buildings. Although these facilities no longer serve as primary PK–12 schools, they continue to house District programs and community services. As the District considers its future, it must look holistically at the location of all District programs, transportation and maintenance operations, athletics, existing community partnerships, long-term capital needs, and available funding. Evaluating these needs together will help the District make responsible decisions about its properties while considering the implications for students, staff, and the broader community.

The District also has an important opportunity to invest in its future. Preliminary estimates suggest that, under its existing bond authorizations, LCSD could seek voter approval for approximately $20 million in capital funding between 2027 and 2032: an estimated $7–8 million as early as 2027, followed by approximately $12 million in 2032.[1] This potential funding could help address priority facility needs and provide safe, functional learning environments, essential District services, and spaces that support students' academic, athletic, and extracurricular opportunities.

The work ahead is to complete the District's vision for how it uses its facilities to serve the students it has today while planning responsibly for the future. This report provides a roadmap for doing so.

We recommend completing initial analysis by May 2027 so that the Board can determine its preferred financing pathway and finalize a five-year facilities plan in June.

Recommended next steps

In spring 2026, District leadership presented prioritized facility needs to the Board. These included Cloud City High School, Project Dream, athletics, the bus barn, the District office, and a location for maintenance. These are in addition to routine facility maintenance needs and cosmetic updates to LCES and LCHS.

[1] These figures are subject to confirmation by the District's financial advisor and future voter approval.

With voter support, the District could generate up to $20 million in capital funding between 2027 and 2032. The steps below, described in more detail in this report, provide a roadmap for developing coordinated facility and funding options.

1. Secure technical expertise to evaluate facility needs, project costs, and financing options.
2. Engage community partners to understand their needs, interests, and potential contributions.
3. Develop prioritized facility project packages that include ongoing maintenance for student facilities, core District operations, District programmatic needs, land for future school sites, and community amenities.
4. Evaluate the feasibility of future ballot questions.
5. Establish a property disposition policy to guide future Board decisions.

The findings generated from these steps will guide subsequent decisions about individual properties. No specific property disposition is recommended at this stage. Those decisions should follow the District's assessment of long-term program, facility, and financial needs.

Engagement overview

Lake County School District engaged Planfully Consulting and North Star Leadership Advisors in August 2026 to support the Board in establishing a clear approach to future property decisions, with an initial focus on Pitts Elementary and LCIS, which are no longer used as primary education facilities for students in grades PK–12 in LCSD.

The engagement included:

- **September 28 Board work session:** An overview of school district property disposition. The session reinforced the Board's governance role in these decisions: setting guiding principles, adopting appropriate policies, and making final decisions about District property. District staff are responsible for developing and evaluating options, engaging relevant experts, and bringing recommendations forward for Board consideration.
- **Individual Board interviews:** Conversations with all five Board members between September 29 and October 16 to understand priorities, desired outcomes, considerations, and approaches to community involvement.
- **October 26 Board work session:** A discussion of interview themes and a proposed decision-making framework.
- **Final recommendations:** This report, which summarizes the Board's direction and recommends a process for the next phase of facilities planning.

Board priorities and decision-making framework

Shared priorities

The individual interviews and October 26 discussion demonstrated substantial agreement on the responsibilities that should guide future property decisions. Board members consistently emphasized:

- **Long-term financial stewardship.** District facilities should be sustainable to operate and maintain, with resources directed toward students and the District's educational mission.
- **Students and educational programs first.** The District's PK–12 mission and operational responsibilities should take priority when evaluating competing facility needs.
- **Informed, timely decisions.** Decisions should reflect reliable information about costs, facility conditions, alternatives, and long-term implications. The Board also recognized the importance of making progress as that information becomes available.
- **Consideration of community needs.** Childcare, athletics, recreation, and other services contribute to the Lake County community. Their potential impacts should be considered alongside the District's educational and financial responsibilities.
- **Clear public communication.** The community should understand how decisions are being made, what information is informing them, and the reasons for the Board's conclusions.

Board members brought different perspectives to the relative urgency of particular needs and the most useful forms of community engagement. Those considerations can be addressed through the next phase of planning without changing the shared principles.

The Board's decision-making framework

The framework developed through the interviews and affirmed in the October 26 discussion includes two foundational obligations and three commitments.

ELEMENT		WHAT IT MEANS
FOUNDATIONAL OBLIGATIONS		
	**Fiscal stewardship**	Protect the District's long-term financial health and make responsible use of public resources.
	**PK–12 educational mission**	Prioritize students and the programs, services, and facilities necessary to support their education.
DECISION-MAKING COMMITMENTS		
1	**Exercise responsible, long-term leadership**	Address difficult decisions thoughtfully and in a timely manner, with attention to the District's future needs.
2	**Make informed, defensible decisions**	Evaluate realistic options using reliable information and explain the rationale and trade-offs associated with decisions.
3	**Anticipate and mitigate community impacts**	Consider effects on students, families, and community organizations, and reduce adverse impacts where feasible.

The October 26 discussion also clarified how these principles relate to one another.

The District's educational and financial obligations provide the foundation for decisions. Within those responsibilities, the Board can consider opportunities to support community programs and services. When continued use of District facilities is not feasible, the District can work with partners to identify alternatives and allow for thoughtful transitions when possible.

This framework should guide the evaluation of future facility options, financing decisions, and property dispositions. It also provides a consistent basis for explaining those decisions publicly.

Facility priorities

The District's next task is to identify and cost its facility needs and organize potential projects into three preliminary tiers.

PRIORITY	FACILITIES AND NEEDS	PLANNING RATIONALE
Tier 1: PK–12 facilities serving students	Safety, maintenance, and critical capital improvements at facilities where students attend school.	Directly supports student learning and the District's educational responsibilities.
Tier 2: Core District programs and operations	Long-term facilities for Cloud City High School, Project Dream, athletics, transportation, maintenance, and District administration.	Supports programs and operations necessary for the District to function effectively.
Tier 3: Community amenities and future needs	Facility needs associated with community amenities, along with potential opportunities to retain or acquire land for future District use.	Accounts for broader community interests and long-term opportunities, within the District's financial and operational capacity.

These tiers provide a starting point for planning and prioritization. They are not final project approvals or a determination that every need within one tier must be funded before any project in another.

As technical work proceeds, the District should evaluate the condition, urgency, cost, educational benefit, and long-term implications of each project. Data from the 2023 Facilities Master Plan related to potential needs at Lake County High School and Lake County Elementary School should be incorporated into the packages as needed. Potential future school sites should also be considered before any property is declared surplus.

The resulting project packages should identify what the District could accomplish at different funding levels and include contingency plans if that funding does not materialize.

Capital funding considerations

The District's existing bond obligations and voter authorizations are central to its capital planning.

Based on preliminary financing information reviewed by the Board in spring 2026 and again during this engagement, the District's 2012 and 2019 bond authorizations provide for approximately $2.108 million in combined annual collections[2]. The 2012 bonds are scheduled for repayment in 2032, while the 2019 bonds extend further into the future.

As the District's existing debt is paid down, it will have capacity to seek voter approval for approximately $20 million to extend the District's existing capital investment between 2027 and 2032, while keeping annual debt-tax collections at about the same level as today. In other words, it would not require a tax increase, pending confirmation by the District's financial advisor.

That capacity becomes available in two stages. Beginning as early as November 2027, the District could ask voters to approve a measure of approximately $7–8 million. Then, in 2032, roughly $12 million more would become available.

Should it wish to pursue additional capital investment, the District essentially has two options with an eye to the immediate future:

- **Phased approach:** Ask voters for $7–8 million in 2027 or 2028 and for approximately $12 million more in 2032. This allows work to begin sooner, at today's construction costs.
- **Single ask:** Wait until 2032 and ask for approximately $20 million at once. This is simpler, but it delays projects by five years, and because construction costs are likely to rise over that time, the same $20 million would buy less in 2032 than it would today.

These options must be weighed against an analysis of voter patterns to gauge viability, including but not limited to relevant November 2026 data and previous LCSD and Lake County election results.

[2] Dollar figures in this section are illustrative and depend on interest rates, repayment terms, property tax assumptions, and the District's existing debt authorizations. The District's financial advisor should confirm borrowing capacity, election timing, and the conditions under which any proposal could be accurately described as requiring no new tax increase.

Recommended plan: November 2026–June 2027

We recommend a five-step process that builds on work the District has already completed and provides the Board with the information needed to make its next decisions. Note: Steps 1 and 2 will occur concurrently.

STEP	TIMING	OUTCOME
Step 1. Secure technical expertise	Jan–Feb 2027	Technical experts engaged and the assessment scope defined.
Step 2. Meet with community partners	Jan–Feb 2027	An understanding of partner needs and possible contributions, with no commitments made.
Step 3. Develop and cost a project package	Feb–Apr 2027	Options showing what approximately $8–20 million would fund.
Step 4. Determine the financing timeline	Apr–May 2027	A preferred financing pathway selected by May 2027.
Step 5. Adopt a property disposition policy	By June 2027	A governance framework in place before any property decision.

Step 1. Secure technical expertise

January–February 2027[3]

The District will benefit from independent technical assistance to evaluate facility needs and estimate project costs.

Relevant work already completed includes the 2023 Facilities Master Plan, the Pitts property appraisal, preliminary renovation and demolition estimates for Pitts, and initial conversations with commercial real estate professionals.

The technical scope should focus on critical maintenance needs and cosmetic updates to LCES and LCHS, plus a defined set of prioritized facility needs for District-run, mission-critical operations and programs. These needs were first presented to the LCSD Board in spring 2026[4] and refined in October 2026: Cloud City High School, Project Dream, athletics, the bus barn, the District office, and maintenance. Community amenities should also be considered as surfaced through community partner conversations (e.g., Bright Start Learning Center), as should options for future school sites.

[3] While technical work will begin in January 2027, securing funding and contracting for services are expected to occur in December 2026.
[4] LCSD Regular Board Meeting packet, May 11, 2026

The technical scope should assess and document:

- Facility space and program needs (shared and stand-alone).
- Individual project cost estimates, including potential construction cost escalation.
- Estimated operating and maintenance implications.

This assessment should be merged with the District's five-year facilities planning process, where practical, to avoid unnecessary duplication of prior analyses.

Step 2. Meet with community partners

January–February 2027

An early listening session with community partners who currently rely on space in District facilities should help the District understand partners' current and future needs and the resources partners may be able to contribute, including funding, property, operations, or other forms of support.

The purpose of this initial conversation is to gather information about shared interests and amenities that would mutually benefit PK–12 students and the larger community. This conversation is exploratory, and specific commitments about facilities, funding, or future occupancy will not be made as part of this process. Rather, the District will gather current information, provide community partners with early visibility into its planning process, and better understand opportunities and constraints as it evaluates future options. Topics explored together could include:

1. **Current facility needs:** The specific programmatic, space, and facility needs of programs that currently operate in District facilities.
2. **Alternative facilities:** Whether partners have explored alternative locations or arrangements, including their feasibility and any barriers to implementation.
3. **Future arrangements and partnerships:** Potential resources, facility arrangements, or partnership agreements that could support the long-term sustainability of both the District and community programs if changes to current facility use become necessary.

Partner input will be incorporated into the technical assessment, consistent with the parameters outlined in Step 1.

Step 3. Develop and cost a project package

February–April 2027

Using the three preliminary priority tiers as a guide, District staff (with the support of technical experts) should develop coordinated packages of potential capital projects at different funding levels, up to approximately $20 million between 2027 and 2032, as detailed in the *Capital funding considerations* section.

For public clarity, each package option should communicate:

- Which needs are most urgent and why.
- A list of projects that could reasonably be accomplished with the funding available, when it is available.
- A list of alternative projects if additional funding is available.
- A list of projects that will be deferred or not addressed.
- How each option would affect existing community partnerships and where practical alternatives might be available.

The goal is a set of package options that the Board and community can compare and discuss publicly.

Step 4. Determine the financing timeline

April–May 2027

In spring 2026, District leadership presented the Board with four potential pathways to consider. These pathways remain relevant and each involves different trade-offs related to timing, available capital, project urgency, and community readiness. The four pathways are:

- 2027 election
- 2028 election
- 2032 election
- No bond extension

When determining the financing timeline, the Board essentially has two options:

1. **Plan for a future that includes a possible investment in District facilities.** The pressing decision point here is which election cycle the District will target. Direction to refer a ballot measure in November 2027 should be given by May 2027. The *Capital funding considerations* section contains recommendations on analyzing ballot measure viability with the electorate.
2. **Plan for a future that does not include a possible investment in District facilities.** The pressing decision point here is how the District will sustain, relocate, scale back, or discontinue programs, activities, and amenities that cannot be accommodated at LCES and LCHS, particularly those dependent on declining or failing infrastructure.

Step 5. Adopt a property disposition policy

By June 2027, before any disposition decision

We recommend that the Board review and consider adopting Policy DN, included as a draft in the appendix.

The policy establishes a consistent governance approach to District property decisions and affirms the Board's authority over property sales. It provides a long-term governance roadmap for future Boards and District leaders aligned to the Board's priorities that were elevated through this process. Draft Policy DN reflects the Board's broad agreement that the District's educational mission, operational needs, and long-term financial sustainability should be at the forefront of any property disposition decision. The policy also allows the Board to consider community benefits consistent with those responsibilities.

District administration should develop any necessary implementing procedures, including property evaluations, tenant notification, transition planning, and coordination with legal and real estate advisors.

The draft policy should receive legal review before adoption.

Managing future property decisions

Once the District determines that a property is no longer needed for current or foreseeable District purposes, several disposition or management options may be considered.

The September 28 work session reviewed five potential approaches:

- **Market-value sale:** Sell through a competitive or otherwise appropriate real estate process.
- **Sale to a public entity:** Explore a transaction with the City of Leadville, Lake County, or another eligible public entity.
- **Lease:** Retain District ownership while allowing another entity to use the property, subject to applicable legal requirements and lease-term limitations.
- **Intergovernmental agreement:** Establish an arrangement with another public entity for use, management, or other lawful purposes.
- **Strategic hold:** Retain a property for a defined future need or while additional information is developed.

Each option carries different financial, operational, and community implications.

We recommend using qualified real estate expertise before proceeding with any significant transaction. Property value, transaction timelines, maintenance costs, environmental conditions, zoning, and potential historic-preservation requirements can materially affect the District's options.

When a property is retained without a defined near-term use, the District should consider documenting the rationale for the hold, estimating ongoing carrying costs, and establishing a schedule for reassessment. This would allow the Board and community to understand the financial implications of continued ownership.

Any future decision should be evaluated against the Board's guiding framework and applicable law.

Communication and community engagement

Clear, consistent communication will be important as the District moves from establishing its guiding principles to evaluating specific facility and financing options.

The District has already communicated its intention to proceed thoughtfully, maintain District properties, and remain in contact with community partners. We recommend building on those commitments throughout the next phase.

Recommended communication practices

- **Establish a clear public home for facilities planning.** Update the District's facilities webpage to explain the purpose of the next planning phase, its anticipated timeline, and opportunities for community input. Preserve prior consolidation materials in an accessible archive.
- **Clarify what is being decided and when.** Explain that the next phase focuses on long-term facility and operational planning.
- **Communicate the status of existing uses.** Reinforce the District's previously communicated expectations for continued uses at Pitts, including Bright Start, Lake County Wraparound, and Cloud City High School, and at LCIS, including Project Dream and athletics, as planning proceeds. Any potential changes should be addressed through direct communication with affected organizations and families.
- **Recognize the importance of community partnerships.** Acknowledge the role that District facilities play in supporting childcare, athletics, recreation, and other local services. Explain how partner needs and potential alternatives will be evaluated.
- **Build on the work already completed.** Recognize the contributions of staff, families, and community organizations during school consolidation. Explain how the facilities planning process follows that work and supports the District's long-term responsibilities.
- **Match engagement to the decisions being made.** Provide the broader community with timely information about the process and emerging options. As specific proposals develop, determine what public input would support decision-making.

Conclusion

The Board has established a clear set of foundational obligations and commitments to guide the District's next facilities decisions. These provide a strong foundation for the more technical planning now required.

The recommended process will give the Board a coordinated view of facility needs, capital costs, funding options, and community considerations. It can inform the District's five-year facilities plan in June and provide a consistent basis for subsequent decisions about Pitts, LCIS, and other District-owned facilities.

Appendix: Draft Policy DN

Draft for Board review. Recommended for adoption in 2027.

DN — School Properties Disposition

District land and buildings shall be sold or conveyed only with the approval of the Board, under such terms and conditions as the Board may direct and consistent with applicable law. Except where law provides otherwise, the Board shall determine before a sale that the property may not be needed within the foreseeable future for a lawful District purpose.

The Board may authorize leases of District property consistent with applicable law. Routine community use of District facilities shall be administered by the Superintendent or designee in accordance with Policy KF.

In making property decisions, the Board shall give primary consideration to the District's PK–12 educational mission, current and foreseeable operational needs, and long-term financial sustainability.

In disposition decisions, the Board may support additional community services through the use of District property when consistent with the District's educational, operational, and financial responsibilities.

In considering a sale, the Board shall consider available information about the property's value and any other benefits or obligations associated with the proposed transaction. The Board may authorize another lawful form of disposition when doing so serves the District's interests.

Net proceeds from the sale of District land or buildings shall be deposited in the District's capital reserve fund unless the Board directs otherwise as permitted by law.

LEGAL REFS.:

- C.R.S. 22-32-110(1)(e), (f) (Board authority to sell, convey, and lease District property)
- C.R.S. 22-45-112 (Sale of assets and disposition of proceeds)

CROSS REFS.:

- SSG-8, Asset Protection
- KF, Community Use of School Facilities

Lake County School District R-1, Leadville, Colorado

Adopted: [Date]