

**BALTIMORE CITY
PUBLIC SCHOOLS**



BALTIMORE SCHOOL CONSTRUCTION PROGRAM TESTIMONY



21st CENTURY SCHOOLS

BALTIMORE

House Appropriations Committee

MARYLAND STADIUM AUTHORITY
BALTIMORE CITY PUBLIC SCHOOLS
PUBLIC SCHOOLS CONSTRUCTION PROGRAM
BALTIMORE CITY

February 4th, 2016

SPEAKERS

- Opening Remarks:
 - ◆ Dr. Gregory Thorton - CEO, Baltimore City Schools
 - ◆ Michael Frenz - Executive Director, Maryland Stadium Authority (MSA)
- Presenters:
 - ◆ Gary McGuigan – Senior Vice President, Capital Projects Development Group, MSA
 - ◆ David Raith - Chief Financial Officer, MSA
 - ◆ Mignon Anthony - Executive Director, 21st Century Buildings Program, Baltimore City Public Schools
 - ◆ David Lever – Executive Director, Interagency Committee on School Construction, State of Maryland

2013 MOU ESTABLISHED FOUR AGENCY PARTNERSHIP

- Maryland Stadium Authority (MSA)
- Baltimore City Public Schools (City Schools)
- Baltimore City Government (BC)
- Interagency Committee on School Construction (IAC)

Memorandum of Understanding (MOU) outlining the roles and responsibilities is available at the new schools program website: www.baltimore21stcenturyschools.org



OVERSIGHT & IMPLEMENTATION

- Executive Committee
 - ◆ Each agency has one vote with rotating Chairmanship
 - ◆ Meets quarterly
 - ◆ Compliant with Open Meetings Act
 - ◆ Administers MOU

- Collaborative Group
 - ◆ Representatives from Baltimore City, City Schools, and MSA
 - ◆ Job training
 - ◆ Local hiring
 - ◆ MBE

- Coordinating Committee
 - ◆ Representatives from Baltimore City, City Schools, and MSA
 - ◆ Chaired by Baltimore City
 - ◆ Maximizes recreational opportunities and community revitalization
 - ◆ Meets quarterly

- STAT Committee
 - ◆ Each agency represented
 - ◆ Chaired by MSA
 - ◆ Reports on key areas of program
 - ◆ Meets quarterly

MSA's ROLE

- MSA oversees the contract administration and project management of seven Year 1 projects
- MSA will leverage \$60 million annually for 30 year tax exempt financing with an outstanding cap of \$1.1 billion of MSA borrowing for the program
- The MSA Board reviews/approves all procurements, contracts, and change orders associated with the program
- MSA approves and issues all payments related to the program
- MSA chairs the Stat committee and reports on budget, payments, change orders, MBE, and schedule
- MSA conducts the program according to state regulations and policies including MBE and prevailing wage
- MSA seeks BPW approval of all MSA managed design/construction contracts and bond issuances

CITY SCHOOLS' ROLE

- City Schools oversees the contract administration and project management of four Year 1 projects
- City Schools develops educational specifications and feasibility studies for all the projects
- City Schools authorizes the academic programming and conducts design reviews of all school projects
- City Schools develops furniture, furnishing and equipment specifications for all school projects
- City Schools is responsible for analysis and tracking of school utilization
- City Schools develops and implements annual updates of the Comprehensive Maintenance Plan for all school buildings
- City Schools can amend the 10 Year Plan upon annual review of its portfolio and notification to the MOU parties
- City Schools is responsible for coordination of all school and community relations for the program
- City Schools is responsible for closing schools buildings to improve utilization system wide

IAC's ROLE

- IAC approves the Comprehensive Maintenance Plan and the individual Building Maintenance Plans
- IAC approves the Utilization Rate Targets
- IAC considers progress toward Maintenance Performance Metrics and Utilization Rate Targets in project recommendations for the annual CIP and the 21st Century Program
- IAC reviews Comprehensive Educational Facilities Master Plan
- IAC approves all 10 Year Plan projects at the feasibility study and Enhanced Approval Package (EAP) phases

CITY OF BALTIMORE'S ROLE

- City chairs the Coordinating Committee
- City chairs the Collaborative Committee
- City reviews all projects during design with its Architectural Review Board process
- City reviews the Comprehensive Educational Facilities Master Plan
- City plays an instrumental role in community, recreation and economic development issues

JOINT PARTNERS

- Sign off on the project after the submission of the EAP
- EAP includes feasibility study, educational specifications, preliminary schematic design, and budget
- Conduct annual Public Forum to update all interested parties

PROGRAM UPDATE EXPECTATIONS

- The program is expected to support between 23 to 28 school buildings
- These expectations are based on:
 - ◆ **Year 1 Schools**
 - Detailed estimates and partial bid results for two schools
 - Estimates at partial design for eight schools
 - Concept estimate for one school
 - ◆ **Year 2 Schools**
 - Assumptions on school size based on site specific educational specifications
 - \$/sq. ft estimates based on historical pricing
 - Revenue forecasts based on issuing multiple bond packages beginning in early 2016

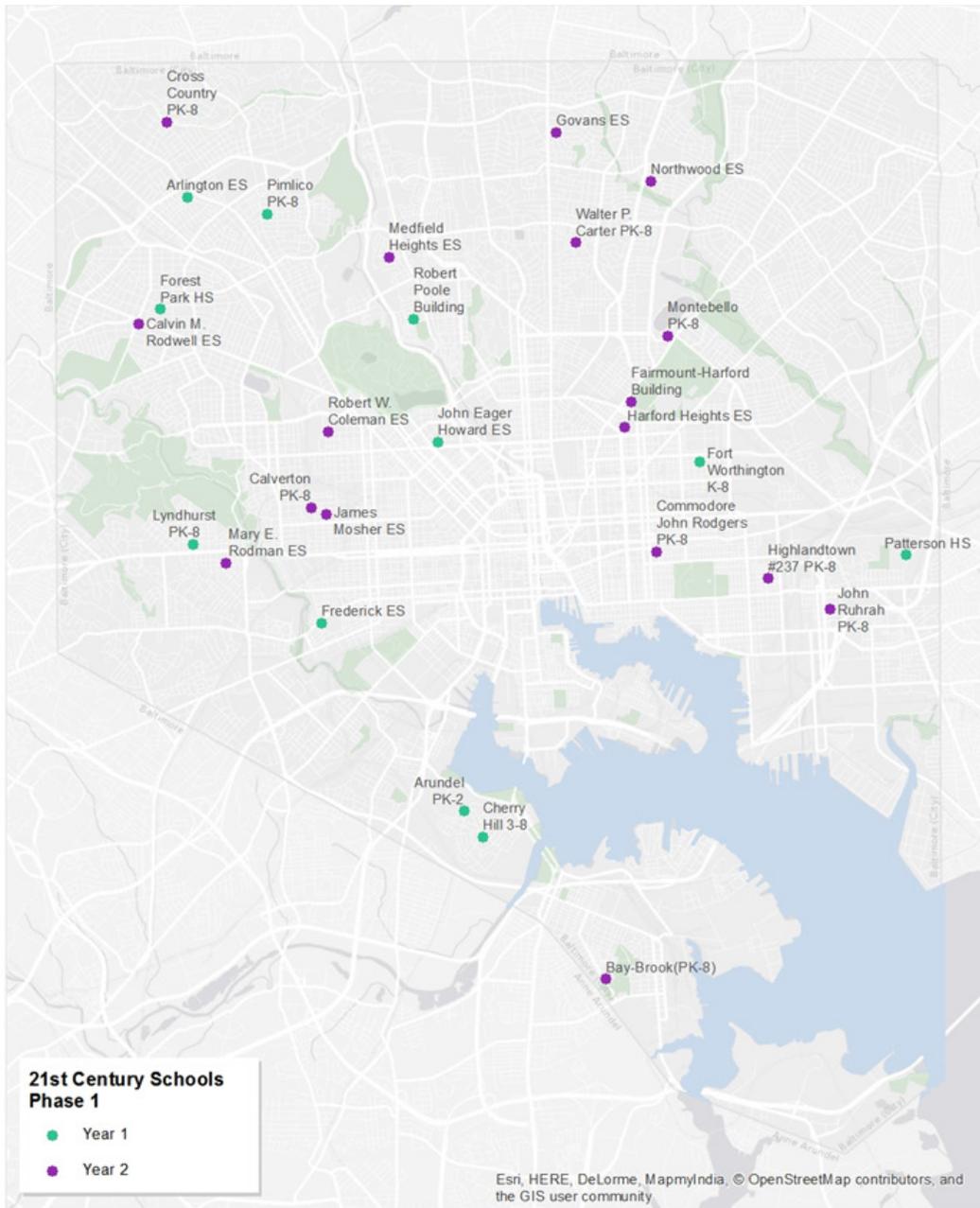
PROGRAM UPDATE CHALLENGES

- Site specific educational specifications that determine school size came in approximately 220,000 sq ft above the 2014 projections for Year 2 Schools due to a combination of the 10 year plan amendment from December 2014 and special education assumptions
- MSA and City Schools are working together cooperatively to reduce the impact of last years 10 year plan amendment through the following measures:
 - ◆ Reduce square feet in program, review educational specification prototypes
 - ◆ Implement innovative building system components (Pending study)
 - ◆ Explore alternative delivery methods
 - ◆ Explore additional strategic options for renovation during Year 2 feasibility studies

PROGRAM UPDATE SUCCESSSES

- CONSTRUCTION COSTS
 - ◆ 2014 projection \$309/sq ft
 - ◆ Current projection \$294/sq ft
 - MSA/City Schools continuously work during design to gain building efficiencies
 - Construction Manager at Risk (CMR) yields savings during the design process through Value Engineering
 - Program shares value engineering ideas and is constantly being updated with new ideas
 - All program administration performed under a new project management software system
- SCHEDULE - Program remains on schedule for completion in 2020
- # OF STUDENTS IMPACTED - 10% more students than reported in 2014
- REACHING UTILIZATION RATE GOAL - target on track for 86%, without the swing space, by 2020.
- INCREASED REDUCTIONS of UNDER -UTILIZED SQUARE FOOTAGE - School Closings
 - ◆ City Schools added 300,000 sq ft of additional inventory to be closed
 - ◆ Future maintenance costs will be reduced
- WORKFORCE DEVELOPMENT
 - ◆ Plan approved by Collaborative and employment opportunities for Baltimore residents being implemented

YEAR 1 & 2 PROJECTS



0 1.25 2.5 Miles
Date: 1/5/2016

**BALTIMORE CITY
PUBLIC SCHOOLS**

YEAR 1 SCHOOLS

- There are 13 schools in 11 buildings in Year 1

Frederick ES Renovation with Addition- MSA

- ◆ A/E: USA Architects
- ◆ CM: Gilbane Building Company
- ◆ Current Budget: \$27,217,406
- ◆ Completion: August 2017
- ◆ Current Status: Construction

Fort Worthington PK-8 Replacement- MSA

- ◆ A/E: Grimm and Parker
- ◆ CM: Gilbane Building Company
- ◆ Current Budget: \$37,376,872
- ◆ Completion: August 2017
- ◆ Current Status: Construction

Lyndhurst PK-8 Renovation with Addition- MSA

- ◆ A/E: STV Inc.
- ◆ CM: Turner Construction Company
- ◆ Current Budget: \$39,938,364
- ◆ Completion: December 2017
- ◆ Current Status: Bidding

John Eager Howard ES Renovation with Addition- MSA

- ◆ A/E: Cho Benn Holback Associates
- ◆ CM: J Vinton Schafer & Sons
- ◆ Current Budget: \$33,539,979
- ◆ Completion: December 2017
- ◆ Current Status: Construction Documents

Robert Poole (ACCE/Independence Schools) HS Renovation with Addition- MSA

- ◆ A/E: JRS Architects
- ◆ CM: CAM Construction Company
- ◆ Current Budget: \$52,775,763
- ◆ Completion: August 2018 (Delayed 6 months due to academic impacts)
- ◆ Current Status: Construction Documents

Arundel PK-8 Replacement- MSA

- ◆ A/E: GWWO Architects
- ◆ CM: MCN/Southway Builders
- ◆ Current Budget: \$44,253,517
- ◆ Completion: August 2018
- ◆ Current Status: Design Development

Cherry Hill PK-8 Renovation with Addition-CS

- ◆ A/E: JRS Architects
- ◆ CM: HESS Construction + Engineering
- ◆ Current Budget: \$48,281,839
- ◆ Completion: August 2018
- ◆ Current Status: Schematic Design

Forest Park HS Renovation with Addition-CS

- ◆ A/E: SEI Architects
- ◆ CM: HESS Construction + Engineering
- ◆ Current Budget: \$70,122,898
- ◆ Completion: August 2018
- ◆ Current Status: Schematic Design

Arlington PK-5 Renovation with Addition-CS

- ◆ A/E: Design Collective
- ◆ CM: Dustin Construction
- ◆ Current Budget: \$41,260,642
- ◆ Completion: August 2018
- ◆ Current Status: Schematic Design

Pimlico PK-8 Renovation with Addition-CS

- ◆ A/E: Design Collective
- ◆ CM: Dustin Construction
- ◆ Current Budget: \$45,279,387
- ◆ Completion: August 2018
- ◆ Current Status: Schematic Design

Patterson HS/Claremont School Replacement - MSA

- ◆ A/E: TBD
- ◆ CM: TBD
- ◆ Current Budget: \$95,000,000
- ◆ Completion: August 2019 (Delayed one year due to addition of Claremont school and budget reconciliation)
- ◆ Current Status: Feasibility Study Approval Pending

YEAR 2 SCHOOLS

- There are currently 19 schools in 17 buildings in Year 2
- Year 2 schools were divided into four lots for feasibility study assignments

LOTS 1 AND 2

Lot 1 - Approximately 95% complete in Feasibility Study

- ◆ Cross Country ES/MS*
- ◆ Medfield Heights ES
- ◆ Calvin Rodwell PK-8
- ◆ John Ruhrah ES/MS

* Cross Country is at 50%

Lot 2 - Initiating Feasibility Study

- ◆ Calverton ES/MS
- ◆ Govans ES
- ◆ Walter P Carter/Lois T Murray ES/MS
- ◆ Bay-Brook ES

LOTS 3 AND 4

Lot 3 –In Procurement

- ◆ Mary E Rodman ES
- ◆ Montebello PK-8
- ◆ Harford Heights ES/Sharp Leadenhall PK-8
- ◆ Canton Building (To be replaced by two schools as a result of the 2015 10 Year Plan amendment approved by the School Board on January 5th, 2016.)

Lot 4 - Initiate Procurement in March 2016

- ◆ Robert W Coleman ES
 - ◆ James Mosher ES
 - ◆ Northwood ES
-
- Schools added by 10 Year Plan amendment in 2014 and 2015:
 - Commodore John Rodgers PK-8- 2015 Amendment
 - Highlandtown #237 PK-8- 2015 Amendment
 - Fairmont/Harford High School- 2014 Amendment

MARYLAND STADIUM AUTHORITY

BALTIMORE CITY PUBLIC SCHOOLS FINANCING

- Authorized to issue up to \$1.1 billion in debt with a debt service cap of \$60 million:
 - ◆ is a limited obligation secured by the revenues pledged by the authority;
 - ◆ is not tax supported debt
- Revenue Bonds will be issued and secured by the following:
 - ◆ \$20 million from Baltimore City (tax intercept if less than \$20 million)
 - ◆ \$20 million from the State Lottery
 - ◆ \$20 million from the Baltimore City Board of School Commissioners
- Revenues of \$60 million annually
- State of Maryland
 - ◆ \$20 million from Lottery, starting in FY 2016
- Baltimore City
 - ◆ \$10 million from Beverage Container Tax, 10% of the Participation Rent from the Baltimore City Video Lottery Facility Operator and proceeds from the Table Games at the Video Lottery Facility in Baltimore City starting in FY 2014
 - Local Income Tax intercept for any shortfalls
 - ◆ \$10 million in additional retiree health payments starting in FY 2014, FY 2016 was cancelled
- Baltimore City Public Schools
 - ◆ \$10 million was to start in FY 2016 but was cancelled
 - ◆ \$20 million in FY 2017 and thereafter
 - ◆ Funds are from the general state school fund
- Total debt service of outstanding financing can not exceed \$60 million
 - ◆ Expect to issue first series of bonds early 2016 for approximately \$320 million
 - Additional issuances in 2016, 2017 and possibly 2018
 - ◆ Tax – Exempt, 30 year bonds
 - ◆ Projected annual debt service is \$20.8 million from the first issue
 - ◆ Financing Plan completed and sent to budget committees in the fall of 2015
 - ◆ Board of Public Works approved the of first series of bonds in December 2015
- Bond sale to occur shortly after the release of Baltimore City's 2014 CAFR

BALTIMORE CITY PUBLIC SCHOOLS

ESTIMATED BOND PROCEEDS FOR SERIES 2016

Maryland Stadium Authority	
Baltimore City Public School Construction Bonds	
Projected Project Funds for a \$320 million Series	
Bond Statistic	Current Market
Par Amount	\$320,285,000
Term	30 years
Average coupon interest rate	5.0%
True Interest Cost	3.78%
Average annual Debt Service	\$20.6

Bond Ratings	
Fitch	AA
Standard's & Poor's	AA-
Moody's	Aa3

- Credit Issues
 - ◆ Nonimpairment clauses on Lottery funds
 - ◆ Potential shifts in discretionary Lottery activity
 - ◆ Concerns over City's revenue pledges but satisfied with income tax backstop

MBE OUTREACH & INCLUSION

- The City School's Diversity Subgroup, led by the Mayor's Office of Minority and Women-Owned Business Development, was formed in December 2013 and continues to meet on a regular basis
- This subgroup was established to maximize the utilization of state certified locally-based minority and women-owned businesses
- This group engaged representatives from the community including members of the Mayor's Advisory Council for MBE
- The Outreach and Inclusion Plan and Implementation Package has been approved and was released this summer
- Highlights of plan:
 - ◆ MSA will follow State MBE law
 - ◆ MSA will conduct numerous Outreach events in and around the city to draw attention to the program for Local MBE firms
 - ◆ MSA will report on progress of MBE efforts

LOCAL HIRING

- A workforce opportunities subgroup, led by the Mayor's Office of Employment Development was formed in December 2013 and continues to meet on a monthly basis.
- This collaborative subgroup will work to maximize opportunities for BCPS students and City residents.
- The subgroup engaged representatives from the community, professional and trade organizations to provide input regarding the Hiring Plan.
- The Local Hiring Plan and implementation package was released last summer.
- Local hiring has begun in accordance with the plan
- Highlights of plan:
 - ◆ There are no owner mandated goals. The initial workforce plan is submitted by the construction manager and is evaluated and scored at time of award of preconstruction contract.
 - ◆ The full plan will be evaluated and approved at the final contract stage which will include specific goals established by the construction manager.
 - ◆ MSA is responsible for enforcement and reporting on construction manager's plan.

UTILIZATION RATES

- City Schools committed to a final utilization rate target of 86%, without swing space, by school year 2019/2020
- City Schools committed to an intermediate utilization rate target of 80%, without swing space, by school year 2015/2016
- These rate targets were approved by the IAC
- City Schools shows progress in achieving these targets with their latest report
- City Schools will report on utilization rate both with and without swing space

SCHOOL CLOSINGS

- City Schools committed to closing 26 school buildings as a part of the program, referred to as Exhibit 6 in the MOU
- Exhibit 6 can and has changed over time
- The most recent Exhibit 6 includes an increase of 300,000 sq. ft. of inventory to be closed over and above the original plan
- City Schools voted to close four buildings in the last 10 Year Plan amendment; with this action, seven buildings are in various stages of the surplus process.

MAINTENANCE PLAN

- City Schools Comprehensive Maintenance Plan was approved by the IAC in September 2014
- City Schools will submit a specific Building Maintenance Plan for each school prior to construction
- City Schools' Board approved the procurement of a Computerized Maintenance Management System (CMMS) to increase efficiency and reporting capabilities;
- MSA will recommend to the Executive Committee and MSA Board that the program support a portion of the start-up costs
- IAC has concerns about the capacity of City Schools to maintain the facilities upon completion

NEXT STEPS

- MSA and City Schools will work together to reduce the impact of the additional square feet of program through the following measures:
 - ◆ Reduce square feet in program, review educational specification requirements
 - ◆ Implement innovative building system components (Pending study)
 - ◆ Explore alternative delivery methods
 - ◆ Review strategic renovation options for all Year 2 projects
- Submit Annual report dated January 15th, 2016 after approvals from respective Boards and Commissions
- MSA has engaged its Program Manager, CSP, to perform a study on traditional public school construction methods vs. alternative construction methods. A draft report was recently received and is under review.

PROGRAM MANAGER STUDY

ALTERNATIVE SCHOOL CONSTRUCTION DELIVERY VS TRADITIONAL PUBLIC SCHOOL CONSTRUCTION

- Objective
 - ◆ Seeking additional efficiencies for potential application in Baltimore City School program
- Process
 - ◆ Review:
 - Initial capital costs of construction
 - Long term operating and maintenance costs
 - Project implementation and delivery strategies
 - Programmatic elements including educational specifications
 - ◆ Conduct 2 case studies of alternative school construction delivery models
- Deliverables
 - ◆ Final report on findings in early 2016

EXHIBIT 1 FROM ANNUAL REPORT- SUMMARY TABLE

Building Name	2014 Enrollment Projection	2014 SQFT	2014 SQFT/Student	2015 Enrollment Projection	2015 SQFT	2015 SQFT/Student	SF Net ECDC + Judy	SF/Student Net ECDC
Arlington #234	409	87,226	192	408	97,750	208	84,750	180
Arundel #164	575	84,736	133	575	107,420	169	94,420	148
Cherry Hill #159	604	81,573	122	840	132,984	143	132,984	143
Forest Park #406	753	215,965	258	812	199,331	215	199,331	215
Fort Worthington #85	503	98,500	176	594	103,280	148	103,280	148
Frederick #260	548	79,826	131	548	84,961	140	84,961	140
John Eager Howard #61	465	89,926	174	500	91,750	166	91,750	166
Lyndhurst #88	622	104,934	152	645	111,435	156	111,435	156
Patterson #405	1,262	191,890	137	1,493	267,771	166	267,771	166
Pimlico #223	511	115,636	204	640	119,700	157	119,700	157
Robert Poole #56	924	136,738	133	921	138,963	141	138,963	141
Plan Year 1 Schools	7,177	1,286,950	161	7,976	1,455,345	164	1,429,345	161
Calvin M. Rodwell #256	545	88,614	146	643	105,007	147		
Cross Country #247	803	120,969	136	897	132,643	133		
John Ruhrah #228	893	125,731	127	911	135,317	139		
Medfield Heights #249	445	73,773	149	440	80,024	163		
Bay-Brook #124	502	85,439	153	727	117,698	146		
Calverton #75	817	120,969	133	1004	154,364	133		
Govans #213	425	72,186	153	531	92,183	156		
Walter P. Carter #134	433	75,916	158	927	164,255	153		
Canton Building #230	740	116,208	141	908	130,109	133		
Harford Heights Bldg #36	603	104,354	156	654	122,245	166		
Mary E. Rodman #204	410	72,186	158	465	82,747	154		
Montebello #44	696	114,620	148	642	104,307	146		
James Mosher #144	463	85,439	166	319	64,078	181		
Northwood #242	718	112,287	141	734	111,629	137		
Robert W. Coleman #142	499	88,709	160	442	80,052	163		
Plan Year 2 Schools	8,992	1,457,400	146	10,244	1,676,658	147		
PY1 and PY2 Combined	16,169	2,744,350	153	18,220	3,132,003	154		
Fairmont Harford HS*								
Commodore John Rodgers*								
Highlandtown #237*								

*Information under development for these three projects

EXHIBIT 1 FROM ANNUAL REPORT- SUMMARY TABLE

CONTINUED

Building Name	Oct 2014 Cost Estimate	\$/SF 2014	EAP/Feasibility Estimates	\$/SF EAP	Current Est.	\$/SF Current
Arlington #234	\$31,031,607	\$356	\$41,260,642	\$422	\$34,775,540	\$356
Arundel #164	\$29,914,385	\$353	\$44,253,517	\$412	\$44,179,242	\$411
Cherry Hill #159	\$29,378,155	\$360	\$48,281,839	\$363	\$47,822,994	\$360
Forest Park #406	\$72,622,897	\$336	\$70,122,898	\$352	\$72,622,897	\$364
Fort Worthington #85	\$37,376,872	\$379	\$42,187,379	\$408	\$37,762,109	\$366
Frederick #260	\$27,217,406	\$341	\$30,855,997	\$363	\$27,023,507	\$318
John Eager Howard #61	\$32,539,979	\$362	\$33,539,979	\$366	\$32,639,284	\$356
Lyndhurst #88	\$39,938,364	\$381	\$39,938,364	\$358	\$41,538,183	\$373
Patterson #405	\$86,203,269	\$449	\$95,000,000	\$355	\$95,000,000	\$355
Pimlico #223	\$41,592,474	\$360	\$45,279,387	\$378	\$43,053,696	\$360
Robert Poole #56	\$52,775,763	\$386	\$55,056,540	\$396	\$52,903,905	\$381
Plan Year 1 Schools	\$480,591,171	\$373	\$545,776,542	\$375	\$529,321,357	\$364
Calvin M. Rodwell #256	\$32,661,008	\$369			\$38,703,077	\$369
Cross Country #247	\$47,438,566	\$392			\$52,016,580	\$392
John Ruhrah #228	\$49,305,858	\$392			\$53,065,042	\$392
Medfield Heights #249	\$27,191,182	\$369			\$29,495,170	\$369
Bay-Brook #124	\$33,505,452	\$392			\$46,156,026	\$392
Calverton #75	\$47,438,566	\$392			\$60,534,573	\$392
Govans #213	\$26,606,173	\$369			\$33,976,628	\$369
Walter P. Carter #134	\$29,770,947	\$392			\$64,413,653	\$392
Canton Building #230	\$45,571,273	\$392				
Harford Heights Bldg #36	\$38,462,535	\$369			\$45,056,755	\$369
Mary E. Rodman #204	\$26,606,173	\$369			\$30,498,725	\$369
Montebello #44	\$44,948,843	\$392			\$40,904,545	\$392
James Mosher #144	\$31,490,992	\$369			\$23,617,783	\$369
Northwood #242	\$41,386,406	\$369			\$41,143,882	\$369
Robert W. Coleman #142	\$32,696,109	\$369			\$29,505,337	\$369
Plan Year 2 Schools	\$555,080,083	\$381			\$589,087,777	\$381
PY1 and PY2 Combined	\$1,035,671,254	\$377			\$1,118,409,134	\$373
*Fairmont Harford HS						
*Commodore John Rodgers						
*Highlandtown #237						
*Information under development for these three projects						

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21st Century School Buildings Program

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