

Senate Budget & Tax Committee

January 15, 2014

Maryland Stadium Authority
Interagency Committee on School Construction
Baltimore City Public Schools
Baltimore City



Baltimore City Public Schools Construction & Revitalization Act of 2013

Established a Four Agency Partnership to Implement Act

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



Memorandum of Understanding outlining roles and responsibilities available at www.mdstad.com

Oversight & Implementation

Executive Committee

- Each party has one vote
- Meets quarterly
- Subject to open meetings act
- Administer 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
- Maximize recreational opportunities and community revitalization
- Meets quarterly

STAT Committee

- Each party represented
- Chaired by MSA
- Report on key areas of program
- Meets monthly after design begins

MSA Role

- MSA will oversee new construction projects
- MSA will leverage up to \$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 will review/approve all procurements and change orders associated with the program
- MSA will approve and issue all payments related to the program
- MSA will chair the Stat committee and report on budget, payments, change orders, MBE, and schedule

MSA Role- continued

- MSA will conduct the program according to state regulations and policies including MBE and prevailing wage
- MSA will release construction funding if schools are closed according to an agreed upon schedule, Exhibit 6 in the MOU
- MSA will release construction funding if the IAC approves the project specific building maintenance plan
- MSA will seek BPW approval of all design and construction contracts, and bond issuances

City Schools Role

- City Schools will actively manage renovation projects
- City Schools controls the process of feasibility studies, preliminary design and educational specifications for replacement and renovation projects
- City Schools will update the Comprehensive Maintenance plan annually
- City Schools has the right to amend the 10 year plan upon notification to all parties

City Role

- City and City Schools will agree on community and recreational space opportunities for each school
- City will review design submissions through their Urban Design and Architectural Review Panel
- The City will develop and administer a comprehensive local hiring plan to support the goals of the Collaborative
- The Collaborative and the City will develop an outreach and inclusion plan in compliance with State procurement guidelines

IAC Role

- IAC will approve the comprehensive maintenance plan and the individual building maintenance plans
- IAC will approve the utilization rate targets
- IAC reviews Comprehensive Educational Facilities Master Plan
- IAC approves all 10 year plan projects
- IAC approves site specific educational specifications and reviews feasibility studies

All Parties

- Sign off on the project after the submission of the Enhanced Approval Package (EAP)
- EAP includes feasibility study, educational specifications and preliminary schematic design

Schedule - Steps Completed

Winter 2013

- ✓ Legislature passed Baltimore City Public Schools Construction and Revitalization Act of 2013
- ✓ The Act required a comprehensive MOU be negotiated between the for parties on 16 main business points

Spring 2013

- ✓ Governor signed the act in to law
- ✓ MOU negotiations began

Summer 2013

- ✓ Negotiations completed on MOU

Fall 2013

- ✓ MOU approved by the individual Boards/Commissions
- ✓ MOU approved by the Board of Public works on 10/16/2013

Schedule - Next Steps



Fall 2013

- City Schools conducts Year 1 Schools feasibility studies
- MSA and City Schools implement staffing and training plan

Winter 2013/2014

- A/E and CM preconstruction expressions of interest
- IAC reviews feasibility studies and recommends 10 year plan projects

Spring 2014

- A/E and CM RFP's for Year 1 Schools
- Year 2 feasibility study A/E selection

Summer 2014

- A/E and CM selection Year 1 Schools-
Design Begins

Schedule - Next Steps- continued

Spring/Summer 2015

- Year 1 school contractor bids advertised and selected

Fall 2015

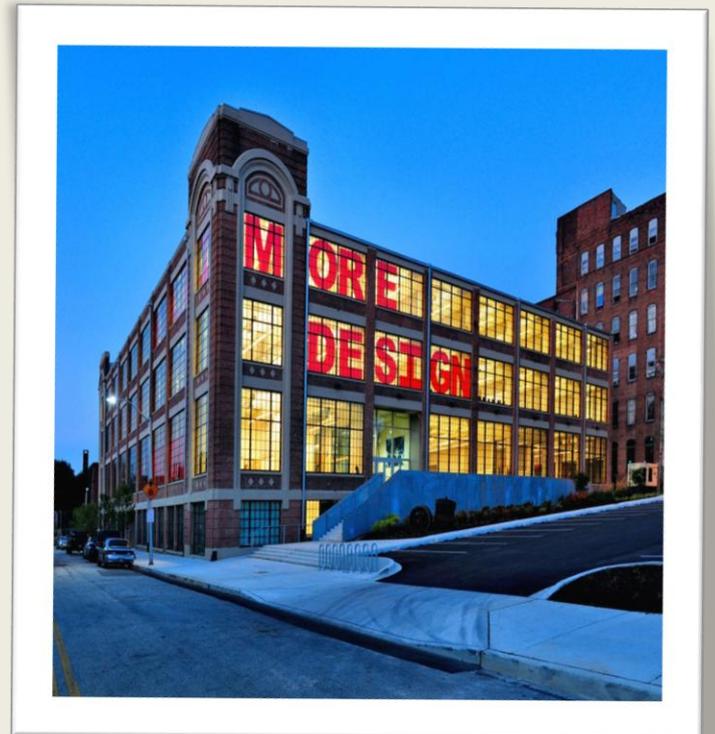
- First series of financing

Winter 2015

- Year 1 school construction start

Summer 2017

- Year 1 construction complete



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

Maryland Stadium Authority

Baltimore City Public Schools

Financing- continued

- Total debt service of outstanding bonds can not exceed \$60 million:
 - Expect to issue between 3 to 5 series of bonds between \$150 million and \$250 million
 - Tax –exempt, 30 year bonds
 - First issue late summer to early fall 2015

Maryland Stadium Authority

Baltimore City Public Schools Financing

- continued

\$250 million Project Fund				
Bond Statistic	Current Market	Current Market + 25 bps	Current Market + 50 bps	Current Market + 100 bps
Statistics				
Par Amount	\$251,490,000	\$256,570,000	\$262,870,000	\$261,870,000
True Interest Cost	4.49%	4.65%	4.85%	5.43%
Average annual Debt Service	\$16,452,721	\$16,785,271	\$17,197,321	\$18,439,774
Number of bond series to equal \$60 million	3.65	3.57	3.49	3.25
Project total of bonds all series	\$917,137,067	\$917,125,513	\$917,131,237	\$852,082,020
Project bond premium per issue	\$16,473,257	\$11,755,343	\$5,898,401	\$8,132,350
Project total of all bond premium	\$60,074,892	\$42,020,208	\$20,579,022	\$26,461,333
Projected proceeds for construction	\$977,211,959	\$959,145,721	\$937,710,260	\$878,543,353
Assumptions				
Dated/Delivery	1/15/2014			
Transaction Costs				
COI	\$250,000			
UD	\$5.00 per bond			
Call Feature	10 Yr Par Call			
Rates	MMD plus 50 bps			

MBE Participation

- All projects will follow State MBE law and policies
- The Collaborative and the City Mayor's Office of Minority and Women Owned Business Development (MWBD) will work to maximize the utilization of State certified locally based minority and women owned businesses
- The Collaborative and MWBD will develop an outreach and inclusion plan
- MSA will work with the City MBE office to notify City certified MBE firms of opportunities
- MSA and City Schools will review MBE opportunities individually on each procurement to establish MBE goals
- MSA's MBE liaison officer, in conjunction with MWBD, will oversee these efforts

Work Based Learning and Hiring

- The collaborative group will work to maximize opportunities for City Schools students and City Residents
- The collaborative will engage representative from community, professional and trade organizations to provide input to the plan
- The Mayors Office of Employment Development will develop a comprehensive local hiring plan to support the goals of the program



Sequencing of School Modernization

When determining which year of the plan a school would be modernized, City Schools considered several priorities that align with the Board guiding principles. The Schools that are prioritized are:

- Receiving schools– would serve students from closing, merging schools
- Most overcrowded schools, buildings in poorest condition
- Schools with large amounts of excess space
- Schools where modernization would affect community development
- Schools with the largest needs and highest repair costs up front

Ten Year Plan Amendments

Approved by Board of School Commissioners on December 17, 2013

School	Recommendation
Augusta Fells Savage Institute of Visual Arts Location: Harlem Park Building	Close program in 2017 and to vacate building in 2017 (after completion of Vivien T. Thomas) <i>Dates subject to change</i>
Excel Academy at Francis M. Wood High School Location: Harbor City Building	Amend 10 year plan to keep program open. Amend 10 year plan to renovate in year 10. The Corps Building located at 500 Gwynn Oak Baltimore, MD will be surplus to Baltimore City in early 2014.
Baltimore Civitas Middle/High School Location: Walbrook Building	Close program in June 2014. Building will remain open for Bluford Drew Jemison Academy West
Baltimore Community High School Location: Southeast Building	Close program in June 2017 (building already slated to be vacated in 10 year plan)
Vivien T. Thomas Medical Arts Academy Location: Wood Building	Amend 10 year plan to renovate and expand program in year 2
New School Location: Canton Building	Amend 10 year plan to renovate building in year 2 and open a new K-8 for the southeast area
Renovate Two Cherry Hill Schools and Close One Cherry Hill School Location: TBD	Amend 10 year plan to close and vacate a Cherry Hill School in June 2017 (after completion of the other two Cherry Hill schools)

Maintenance Plan

- City Schools submitted a comprehensive maintenance plan in December 2013 for IAC and MSA review and IAC approval
- City Schools will submit a specific building maintenance plan for each school prior to construction
- City Schools is currently in procurement of a Computerized Maintenance Management System (CMMS) to increase efficiency and reporting capabilities

Utilization Rates

- City Schools committed to a final utilization rate target of 86% by school year 2019/2020
- City Schools committed to an intermediate utilization rate target of 80% by school year 2015/2016
- These rate targets are under review by the IAC

Inspection Report

- The PSCP provided Maintenance Inspection Reports for FY 2011 and FY 2012 to City Schools on September 6, 2013. The reports detailed deficiencies in six critical areas of maintenance, contract management, and facilities management
- City Schools responded on October 3, 2013, providing an overview of the current status of identified deficiencies as well as detailed responses to individual school deficiencies
- The PSCP has responded, but will continue to review and evaluate the City Schools responses, in conjunction with review of the Comprehensive Maintenance Plan
- PSCP will meet with City Schools throughout the winter and spring to discuss current maintenance practices and implementation of the CMP