

District: City of Gardner  
 School Name: Waterford Street Elementary School  
 Recommended Category: Project Scope and Budget  
 Date: August 21, 2019

**Recommendation**

That the Executive Director be authorized to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the City of Gardner (the “District”) to replace the existing Waterford Street Elementary School and the existing Elm Street Elementary School with a new PK-4 facility to be located on the Pearl Street site, contingent upon the District gaining full ownership, control, and exclusive use of the proposed site.

<b>District Information</b>	
District Name	City of Gardner
Elementary School(s)	Waterford Street Elementary School (PK-1) Elm Street Elementary School (2-4)
Middle School(s)	Gardner Middle School (5-7)
High School(s)	Gardner High School (8-12) Gardner Academy for Learning and Technology (9-12)
Priority School Name	Waterford Street Elementary School
Type of School	Elementary School
Grades Served	PK-1
Year Opened	1950
Existing Square Footage	66,811
Additions	N/A
Acreage of Site	12.2 acres
Building Issues	The District identified deficiencies in the following areas: <ul style="list-style-type: none"> <li>- Structural integrity</li> <li>- Mechanical systems</li> <li>- Electrical systems</li> <li>- Plumbing systems</li> <li>- Accessibility</li> </ul>
Original Design Capacity	Unknown
2018-2019 Enrollment	438
Agreed Upon Enrollment	925
Enrollment Specifics	The District and MSBA have mutually agreed upon a design enrollment of 925 students for a project that will serve grades PK-4.
Total Project Budget – Debt Exclusion Anticipated	No

<b>MSBA Board Votes</b>	
Invitation to Eligibility Period	February 15, 2017
Invitation to Feasibility Study	October 25, 2017
Preferred Schematic Authorization	February 13, 2019
Project Scope & Budget Authorization	On August 28, 2019 agenda
Reimbursement Rate Before Incentives	80.00%
Incentive Points	1.44 – Maintenance <sup>1</sup> 2.00 – Energy Efficiency – “Green Schools” <sup>1, 2</sup>
Total Reimbursement Rate <sup>1, 2</sup>	80.00%

<sup>1</sup>By statute, 80.00% is the District’s maximum reimbursement rate and the District’s base reimbursement rate is 80.00% before applying any incentive points. Therefore, the District is not eligible to receive any incentive points as the base reimbursement rate results in a maximum reimbursement rate of 80.00%.

<b>Consultants</b>	
Owner’s Project Manager (the “OPM”)	Colliers International
Designer	Jones Whitsett Associates, Inc.

## **Discussion**

MSBA staff reviewed the documents provided by the District and met with the District and its consultants to discuss the project’s scope and budget. The District has provided a Total Project Budget of \$89,558,570, which includes an estimated construction cost of \$70,937,000 (\$482/sq. ft.). The Estimated Basis of Total Facilities Grant would be \$61,643,449, which excludes: legal fees; land acquisition; costs associated with off-site improvements; site costs in excess of 8% of total building cost; construction costs in excess of \$333/sq. ft. plus eligible demolition and abatement; costs associated with mailing and moving; costs in excess of the \$1,200 per student allowance for fixtures, furniture, and equipment; costs in excess of the \$1,200 per student allowance for technology; construction contingency costs; and other ineligible costs.

Costs associated with the commissioning of ineligible square footage will result in the recovery of a portion of the overall commissioning cost. The MSBA has calculated this recovery of funds to be \$454 and this amount has been deducted from the Estimated Maximum Total Facilities Grant and the Maximum Total Facilities Grant.

Additionally, the anticipated demolition and/or repurposing of the existing Waterford Street Elementary School will result in the MSBA recovering a portion of state funds previously paid to the District for the project at the Waterford Street School (MSBA ID# 200801030020G), which was completed in 2011. The MSBA has calculated this recovery of funds to be \$89,357 and this amount has been deducted from the Estimated Maximum Total Facilities Grant and the Maximum Total Facilities Grant.

Further, the MSBA is working with the District to fully understand the District’s proposed repurposing plan for the Elm Street Elementary School facility, which will be taken offline as an elementary school with the completion of the new PK-4 facility. Depending on the District’s reuse plan, the MSBA may recover a portion of the two grants that the District received for projects at this facility, one for a Green Repair project that was completed in 2011 (MSBA ID 201101030001G), and one for a repair project completed in 2016 (MSBA ID 201401030001). If

the MSBA determines that a portion of the grants for the prior projects will be recovered, these amounts will be deducted from the grant for the new PK-4 facility prior to project closeout.

At this time, a total of \$89,811 has been deducted from the Estimated Maximum Total Facilities Grant and the Maximum Total Facilities Grant for cost recovery. This cost recovery amount may be increased based upon the MSBA’s review of the District’s reuse plan for the Elm Street Elementary School facility.

<b>Project Scope and Budget Agreement</b>	
Enrollment: 925 Proposed Total Square Feet: 147,120	District’s Proposed Project Budget
Project Budget <sup>1</sup>	\$84,238,295
Scope Exclusions/Ineligible Costs	-\$22,594,846
Estimated Basis of Total Facilities Grant	\$61,643,449
Reimbursement Rate	80.00%
Estimated Maximum Total Facilities Grant before Cost Recovery <sup>2</sup>	\$49,314,759
Cost Recovery	-\$89,811
Estimated Maximum Total Facilities Grant <sup>2</sup>	\$49,224,948
Potentially Eligible Owner’s and Construction Contingencies	\$2,482,795
Potential Additional Grant Funds for Eligible Owner’s and Construction Contingency Expenditures	\$1,986,236
<b>Total Project Budget</b>	<b>\$89,558,570</b>
<b>Maximum Total Facilities Grant<sup>3,4</sup></b>	<b>\$51,211,184</b>

<sup>1</sup>Does not include Owner’s or Construction Contingencies.

<sup>2</sup>Does not include any grant funds for potentially eligible Owner’s or Construction Contingency Expenditures; subject to MSBA review and audit.

<sup>3</sup>Includes maximum possible Owner’s and Construction Contingency grant funds, the final amount of which, if any, shall be determined by the MSBA in its sole discretion. The MSBA does not anticipate that the District will expend all its contingency funds on expenses that are eligible for MSBA reimbursement.

<sup>4</sup>Maximum Total Facilities Grant will be allocated in part to the current Grant Cap, and in part to future available Grant Cap space.

MSBA staff recommends an Estimated Maximum Total Facilities Grant of \$49,224,948; however, the District may be eligible for up to an additional \$1,986,236 in grant funds, subject to the MSBA’s review and audit of the District’s owner’s and construction contingency expenditures. Accordingly, staff recommends a Maximum Total Facilities Grant of \$51,211,184 for the Project Scope and Budget Agreement and Project Funding Agreement to replace the existing Waterford Street Elementary School and the existing Elm Street Elementary School with a new PK-4 facility to be located on the Pearl Street site, contingent upon the District gaining full ownership, control, and exclusive use of the proposed site.