

Program Progress Update 7

August 19, 2008

Introduction

This is the seventh in a continuing series of Bond Accountability Commission reviews of the design/construction and budget performance of the Cleveland Metropolitan School District's school facilities program funded by Issue 14. The report is based on the Construction Manager's monthly report for July 2008.

Overview

Segment status. All schools in Segment 1 are completed, but a demolition remains held up by objections from city planners. Segment 2 is also complete except for the renovation of Rhodes High School, which is in the final stage.

Construction or site work is under way at all nine Segment 3 schools. In Segment 4, contracts have been awarded for two schools, and bids are to be taken on five more of the segment's 10 schools this fall. The final school is expected to be bid in spring 2009. Meanwhile, design work is continuing on most of the schools.

Each segment was given a time frame in the original Master Plan, but actual target dates and budgets for each school are set as each segment is launched with a Project Agreement with the OSFC.

Completion targets for the nine Segment 3 schools range from three to nine months behind the Project Agreement schedule. Three are to be completed this December. Five more are to be ready for the start of 2009-10 classes.

The 10 preK-8s that remain in Segment 4 under the recently approved Master Plan revision now range from nine to 19 months behind the Project Agreement schedule. All of the schools except for Charles Lake are expected to be ready for the start of the 2010-11 academic year. The length of the delays is largely attributable to an ongoing design review process intended to reduce Segment 4 estimated cost overruns.

Budget performance. The estimated cost overrun for Segment 4 is now 16.8 percent, compared with an estimated overrun of 21.4 percent for Segment 3. Cost projections are subject to adjustment until a segment is concluded. That is especially true for Segment 4, for which only two schools have been bid so far.

Segment-by-Segment Report

Segment 1: the Warm Safe and Dry initiative at all schools, a new East High Gym and 7 new or renovated schools, plus demolition of the former Woodhill-Quincy building. The segment was projected as of the end of July 2008 to be 8.6 percent under budget, due almost entirely to underspending the Warm, Safe and Dry budget by more than \$25 million.

- All Segment 1 schools are operating. All schools are in the closeout phase, but a masonry claim remains for A.J. Rickoff.
- The Woodhill-Quincy demolition has been suspended since July 2007, when the Cleveland Planning Commission balked at granting a permit without consideration of offering the building to others. The District wants to keep the land as an option for other uses. The District must now make its case to the Planning Commission. The decrepit building is considered architecturally significant because it was designed by a prominent early 1900s firm, Hubbell & Benes.

Segment 1 schools	student capacity	scope	Occupancy target	Performance vs. target	Budget w/changes	Projected spending	Under/(over) budget
Rickoff	720	new	Aug-05	plus 2m	\$16,943,596	(\$17,485,697)	(\$542,101)
Miles Park	650	new	Jul-05	plus 18m	\$16,900,933	(\$16,710,545)	(\$188,624)
Adams HS	1,335	new	Aug-06	Met	\$36,728,095	(\$37,849,189)	(\$1,121,094)
Hay HS	1,232	reno	Jun-05	plus 11m	\$34,749,207	(\$36,748,830)	(\$1,999,623)
Memorial	631	new	Aug-05	Met	\$14,615,213	(\$15,374,301)	(\$759,088)
Success Tech	400	reno	May-04	plus 1m	\$7,990,764	(\$7,372,636)	\$618,128
Riverside	436	new	Aug-05	Met	\$11,770,172	(\$12,337,874)	(\$567,702)
East High Gym			Nov-03	Met	\$6,221,336	(\$6,648,138)	(\$426,802)
Warner Demo					\$361,122	(\$347,207)	\$13,915
Woodhill Demo					\$685,286	(\$516,016)	\$169,270
Warm, Safe, Dry			Dec-05	Met	\$78,941,202	(\$53,403,930)	\$25,537,272
Adams Site					\$0	(\$723,849)	(\$723,849)
Memorial Demo					\$0	(\$609,235)	(\$609,235)
Totals					\$225,527,914	\$206,127,447	\$19,400,467

Segment 2: originally 13 schools, cut to seven. The segment was projected as of the end of July to be 9.1 percent over budget. All schools are open.

- All K-8 schools were in the closeout phase, although commissioning of the heating, ventilation and air-conditioning (HVAV) system was still continuing at Franklin D. Roosevelt.
- At James Rhodes High School, all work was completed except exterior masonry repairs and parking and walk replacement.

Segment 2 schools, 2003-06	student capacity	scope	Occupancy target	Performance vs. target	Budget w/changes	Projected spending	Under/(over) budget
Warner	570	new	Jul-06	plus 10m	\$15,348,461	(\$15,928,177)	(\$579,716)
Mound*	450	new			\$40,278	(\$40,281)	(\$3)
Morgan	480	new	Jul-06	plus 10m	\$13,042,017	(\$13,538,324)	(\$496,307)
Martin	490	reno	Jul-06	plus 1m	\$8,641,685	(\$8,949,000)	(\$307,315)
Roosevelt	1,115	reno	Jul-06	plus 13m	\$14,232,255	(\$16,294,355)	(\$2,062,100)
Gibbons	351	new	Jun-06	plus 2m	\$9,779,954	(\$10,462,559)	(\$682,605)
Bethune	500	reno	Jun-06	plus 2m	\$8,902,994	(\$9,756,727)	(\$853,733)
Hayes HS*	800	new			\$822,484	(\$822,486)	(\$2)
Jefferson Relief*	785	new			\$173,723	(\$173,725)	(\$2)
Willson*	574	new			\$448,459	(\$602,837)	(\$154,378)
Rhodes	1,005	reno	May-07	plus 5m**	\$22,491,509	(\$25,194,369)	(\$2,702,860)
West Side Relief HS			Jun-06		\$523,078	(\$917,794)	(\$394,716)
Willson LFI Demo					\$0	(\$317,112)	(\$317,112)
Totals					\$94,446,902	(\$102,997,746)	(\$8,550,849)

*moved to other segment or put on hold

** school partially occupied during renovation

Segment 3: originally 14 schools, reduced to 9 K-8s. The segment was projected at July's end to be 21.4 percent over budget.

- Work at Garfield (3800 West 140th Street) this month was to focus on completion of brick veneer and windows, continuation of painting and ceiling work, and the start of flooring and light fixture installation. Work on curbs and walks was to continue, and the heating/ventilation/air-conditioning unit was to be started.
- The story was much the same at R.G. Jones (4550 West 150th Street).
- Brick veneer, interior masonry, roofing and painting were continuing at Artemus Ward (4315 West 140th Street).
- Completion of brick veneer and non-bearing masonry was among the targets for August at Patrick Henry (11901 Durant Ave.).
- Decking and roof work were continuing at Buhner (1600 Buhner Ave.).
- Site work, bearing masonry, steelwork and decking were on the agenda at Wade Park (7600 Wade Park Ave.).
- The goal at East Clark (885 East 146th Street) for August was continued work on bearing masonry, completion of slab work, and the start of joist and decking.

- Slab work, bearing masonry and second-floor decking was the focus for Harvey Rice (11529 Buckeye Road).
- At the new Willson, about 30 blocks east of the current building on E. 55th Street, the work is centering removal of a roadway, building pad preparation, soil remediation, and the start of foundations and bearing masonry..
- **Latest scheduled occupancy dates:** Dec. 2008: Ward, Jones, Garfield. March 2009: Henry, Buhrer. April 2009: Wade Park, Rice, East Clark; **December 2009:** Willson,

Segment 3 schools, 2004-07	student capacity	scope	Occupancy target	Performance vs. target	Budget w/changes	Projected spending	Under/(over) budget
Wade Park	501	new	Dec-08	plus 4m***	\$12,473,064	(\$15,246,428)	(\$2,773,364)
East Clark	450	new	Dec-08	plus 4m***	\$13,892,376	(\$14,554,631)	(\$662,255)
Patrick Henry	450	new	Aug-08	plus 7m***	\$12,289,813	(\$16,037,293)	(\$3,747,480)
Buhrer	350	new	Dec-08	plus 3m***	\$9,977,906	(\$13,475,980)	(\$3,498,074)
Mooney*	575	new			\$292,103	(\$371,199)	(\$79,096)
Mooney Demo					\$ 1,273,290	(\$1,135,381)	\$ 137,909
Garfield	426	new	Aug-08	plus 4m***	\$11,610,319	(\$14,929,465)	(\$3,319,146)
Jones	450	new	Aug-08	plus 4m***	\$11,764,356	(\$13,692,072)	(\$1,927,716)
A. Ward	450	new	Aug-08	plus 4m***	\$11,689,572	(\$13,832,495)	(\$2,142,923)
Harvey Rice	450	new	Dec-08	plus 4m***	\$13,683,580	(\$15,871,372)	(\$2,187,792)
West Side Relief HS*					\$668,653	(\$1,358,859)	(\$690,206)
Willson, LFI demo	574	new	Mar-09	plus 9m***	\$12,099,809	(\$15,061,040)	(\$2,961,231)
Totals					\$111,714,849	(\$135,566,215)	(\$23,851,374)

*moved to other segment or put on hold

***baseline target already postponed

Segment 4: originally 15 schools, reduced to 10 pre-K-8s. The segment was projected as of the end of July to be about 16.8 percent over budget.

- The segment formerly had 11 schools, but the new Master Plan deletes Audubon.
- Contracts have been awarded for the Euclid Park (off Ansel Road between Kosciuszko and Pulaski avenues) and Jamison (13905 Harvard Ave.) projects. Bidding is to occur this fall for George Washington Carver (2201 East 49th Street), Charles Dickens (3552 East 131st Street), Anton Grdina (3050 East 77th Street), Thomas Jefferson (3145 West 46th Street), and Adlai Stevenson (3938 Jo Ann Drive).
- Building demolitions and grading are complete at Thomas Jefferson and Moses Cleaveland (site of the new Jamison). The Charles Lake (9201 Hillock Ave.) and Corlett (for Dickens) demolition are also complete.
- Demolition of George Washington Carver (2201 East 49th St.) and Nathan Hale (3588 Martin Luther King Jr. Drive) is to occur this fall, as is demolition of properties purchased adjacent to the initially planned site for the Mound K-8 (5405 Mound Ave.) in the Slavic Village area. The current Grdina is to be demolished in 2010, after the new one is built.
- Under the new Master Plan, Audubon (3055 Martin L. King Jr. Drive) will not be included in the construction program co-funded by the Ohio School Facilities

Commission. It is to receive some locally funded improvements in a later segment.

- The city zoning- and plan-review process has begun for Stevenson, but for Grdina it awaits completion of District-city land transfers.
- Problems arose with architectural drawings for Lake, but the District has decided to retain the original architect. The occupancy target has been moved back to December 2010. The Lake students are attending classes at the Louis Pasteur school.
- At least five of the schools (Euclid Park, Dickens, Lake, Stevenson and Grdina) are to have geothermal heating/cooling systems. Mound is to feature a number of other environmentally friendly design elements.
- Segment 4 designs are the program’s first to specifically accommodate the District’s universal Pre-Kindergarten strategy and the 20-1 student-teacher ratio specified in the District’s new contract with the Cleveland Teachers Union for kindergarten through third grade.
- **Latest scheduled occupancy dates:** February 2010: Jamison, Euclid Park. Aug. 2010: Dickens, Grdina, Stevenson, Jefferson, Hale, Carver, Mound, Audubon. December 2010: Lake.

Segment 4 schools, 2005-08	student capacity	scope	Occupancy target	Performance vs. target	Budget w/changes	Projected spending	Under/(over) budget
Dickens	450	new	Jul-09	plus 13m***	\$12,494,986	(\$14,514,789)	(\$2,019,803)
Corlett Demo					\$306,983	(\$587,786)	(\$280,803)
Euclid Park	351	new	May-09	plus 9m***	\$11,863,598	(\$13,540,537)	(\$1,676,939)
Lake	400	new	May-09	plus 19m***	\$10,839,836	(\$13,401,352)	(\$2,561,516)
Jefferson	785	new	Aug-09	plus 12m***	\$19,180,034	(\$21,390,547)	(\$2,210,513)
Mound	450	new	Aug-09	plus 12m***	\$12,357,938	(\$15,316,511)	(\$2,958,573)
Grdina	540	new	Sep-09	plus 11m***	\$15,353,878	(\$16,138,442)	(\$784,564)
Audubon	450	new	Sep-09	plus 11m***	\$15,923,999	(\$15,923,999)	\$0
Carver	450	new	Jun-09	plus 13m***	\$12,573,569	(\$14,227,842)	(\$1,654,273)
Hale	400	new	Jul-09	plus 13m***	\$11,003,699	(\$14,810,614)	(\$3,806,915)
Jamison	450	new	May-09	plus 9m***	\$12,128,122	(\$14,884,406)	(\$2,756,284)
Cleveland Demo					\$531,655	(\$1,012,622)	(\$480,967)
Stevenson	450	new	Aug-09	plus 12m***	\$10,805,208	(\$13,989,837)	(\$3,184,629)
Totals					\$145,363,617	(\$169,739,284)	(\$24,375,779)

*** baseline target already postponed

Segment 5: The District intends to begin design work for Segment 5 as soon as it can reach agreement with the OSFC on the new Master Plan. As it stands, the new Segment 5 includes 4 high schools (including a K-12) and seven preK-8 schools.

Budget

Using the cost estimates in the Construction Manager’s report for August, the co-funded portion of the first four segments will have cost the School District about \$196.078 million of the \$335 million available from Issue 14. With \$39.172 million spent

or obligated as of June 30, 2008, for work that the OSFC does not co-fund, that would leave about \$99.75 million of Issue 14 money to fund the District's share of Segment 5 and beyond (not counting any availability of funds from interest, bond premiums and non-bond proceeds). The District Administration's calculation of interest, premiums and non-bond proceeds as of June 30 was \$46.594 million.

In sum, the District had about \$146.344 million that could be spent on the co-funded facilities program after Segment 4. However, the availability of that money will be reduced to the extent of the cost of future LFI repairs to buildings, such as those that are not part of the Master Plan, and to the extent that the District's share of cost overruns in Segments 3 and 4 exceeds current expectations.

The District Administration's projection of its costs for Segments 5 through 7 under the Master Plan adopted June 30, 2008, is \$155.614 million. The difference between this total and the total of available funds could be made up by federal subsidies for technology work at schools in the program.

The District has calculated that voter approval of an additional \$217 million in local taxes will be needed to complete Segments 8-10 of the new Master Plan.

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