

Program Progress Update 12

July 21, 2009

Introduction

This is the 12th 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 largely on the Construction Manager's monthly report for June 2009.

Overview

Segment status. All schools in Segments 1 and 2 are completed. Eight of the nine Segment 3 elementary schools are to be ready for classes in August 2009, and the other could be ready for classes in winter 2010. Current completion targets are five to nine months behind the Project Agreement schedule.

In Segment 4, work was under way at eight elementary schools, and bids for the remaining two are to be advertised this month and next. Current completion targets range from August 2010 to March 2011, 14 to 22 months behind the Project Agreement schedule. The length of the delays is largely attributable to a design review process intended to reduce estimated cost overruns.

Under the new Master Plan adopted last year, Segment 5 is to have 11 schools, including four high schools. The School District has received architectural and engineering design bids but has not awarded contracts. No site has been selected for one of the schools, the new West Side High School. The District will need to secure more money through a bond issue before the Ohio School Facilities Commission will provide co-funding for Segment 5. (The OSFC pays two-thirds of basic construction costs.)

The District has expressed the desire to begin design of the five currently planned Segment 6 schools, all elementary (preK-8) schools, in the second half of 2009.

Budget performance. The estimated cost of Segment 3 is 23.6 percent above the budget outlined in the Project Agreement with the OSFC. Segment 4 total costs are projected to be 20.1 percent above the Project Agreement budget (This is the figure for May, because the Construction Manager omitted the Segment 4 project cost breakdown from the June report.).

The above percentages reflect a comparison between the Project Agreement “face value” of a project and the projected actual costs. The Project Agreement budgets are based generally on the square footage of schools; they do not do include change orders that arise from unforeseen conditions. They also do not include the cost of some Locally Funded Initiative (LFI) work that the OSFC does not co-fund. However, these are included in the projected cost totals, making the overrun percentages several points higher. The cost of co-funded overruns is borne by the District and the OSFC.

It now appears that the District will not be able to make Issue 14 – the major source of local matching funds for the construction program -- last through Segment 7 of the 10-segment program, as had been planned. Depending on availability of interest proceeds and federal technology reimbursements, the shortage will require elimination of two to five elementary schools from Segments 5 through 7 of the Master Plan, or voter approval of additional bond-issuance authority will be needed before the start of the currently planned Segment 7.

The District’s previous calculations that an additional \$217 million would be needed to complete Segments 8 through 10 of the Master Plan did not presume availability of E-Rate or interest earnings, so that estimate is not in jeopardy at this time.

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 June 2009 to be 8.69 percent under the Project Agreement budget, due almost entirely to underspending the Warm, Safe and Dry budget by more than \$25 million. All schools are operating.

- The Woodhill-Quincy demolition is indefinitely suspended because the building is deemed architecturally significant. 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	(\$17,501,162)	(\$557,566)
Miles Park	650	New	Jul-05	plus 18m	\$16,900,933	(\$16,740,120)	(\$218,199)
Adams HS	1,335	New	Aug-06	Met	\$36,728,095	(\$37,686,566)	(\$958,471)
Hay HS	1,232	Reno	Jun-05	plus 11m	\$34,749,207	(\$36,774,028)	(\$2,024,821)
Memorial	631	New	Aug-05	Met	\$14,615,213	(\$15,418,470)	(\$803,257)
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	(\$12,351,201)	(\$581,029)
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	(\$354,277)	\$331,009
Warm, Safe, Dry			Dec-05	Met	\$78,941,202	(\$53,403,931)	\$25,537,271
Adams Site					\$0	(\$723,849)	(\$723,849)
Memorial Demo					\$0	(\$609,235)	(\$609,235)
Totals					\$225,527,914	(\$205,930,820)	\$19,597,094

Segment 2: originally 13 schools, cut to seven. The segment, including non-budgeted LFI work, was projected as of the end of June to be 9.26 percent over the Project Agreement target. All schools are open.

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	(\$16,027,209)	(\$678,748)
Mound*	450	new			\$40,278	(\$40,281)	(\$3)
Morgan	480	new	Jul-06	plus 10m	\$13,042,017	(\$13,629,327)	(\$587,310)
Martin	490	reno	Jul-06	plus 1m	\$8,641,685	(\$9,063,506)	(\$421,821)
Roosevelt	1,115	reno	Jul-06	plus 13m	\$14,232,255	(\$16,157,748)	(\$1,925,493)
Gibbons	351	new	Jun-06	plus 2m	\$9,779,954	(\$10,516,507)	(\$736,553)
Bethune	500	reno	Jun-06	plus 2m	\$8,902,994	(\$9,870,532)	(\$967,538)
Hayes HS*	800	new			\$822,484	(\$822,487)	(\$3)
Jefferson Relief*	785	new			\$173,723	(\$173,726)	(\$3)
Willson*	574	new			\$448,459	(\$602,838)	(\$154,379)
Rhodes	1,005	reno	May-07	plus 9m**	\$22,491,509	(\$25,050,419)	(\$2,558,910)
West Side HS*			Jun-06		\$523,078	(\$917,794)	(\$394,716)
Willson LFI Demo					\$0	(\$317,112)	(\$317,112)
Totals					\$94,446,902	(\$103,189,486)	(\$8,742,589)

*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, including non-budgeted LFI work, was projected at June's end to be 23.6 percent over the Project Agreement target.

- The District opened R.G. Jones (4550 West 150th Street) and Artemus Ward (4315 West 140th Street) for classes after the winter break at the end of January. Garfield (3800 West 140th Street) has also since been completed.
- The District expects complete occupancy this month at Patrick Henry (11901 Durant Ave.), Buhner (1600 Buhner Ave.), Wade Park (7600 Wade Park Ave.), East Clark (885 East 146th Street) and Harvey Rice (11529 Buckeye Road).
- Work on roofing, brick veneer and windows was on tap for July at the new Willson, about 30 blocks east of the current building on E. 55th Street.
- **Latest scheduled occupancy dates:** Jan. 2009: Ward, Jones. March 2009: Garfield. May 2009: Henry. June 2009: Buhner, East Clark, Wade Park. July 2009: Rice; 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 6m	\$12,473,064	(\$15,431,887)	(\$2,958,823)
East Clark	450	new	Dec-08	plus 6m	\$13,892,376	(\$14,666,728)	(\$774,352)
Patrick Henry	450	new	Aug-08	plus 9m	\$12,289,813	(\$16,814,263)	(\$4,524,450)
Buhrer	350	new	Dec-08	plus 6m	\$9,977,906	(\$13,793,656)	(\$3,815,750)
Mooney*	575	new			\$292,103	(\$371,575)	(\$79,472)
Mooney Demo					\$ 1,273,290	(\$17,500)	\$ 1,255,790
Garfield	426	new	Aug-08	plus 7m	\$11,610,319	(\$15,273,251)	(\$3,662,932)
Jones	450	new	Aug-08	plus 5m	\$11,764,356	(\$14,160,460)	(\$2,396,104)
A. Ward	450	new	Aug-08	plus 5m	\$11,689,572	(\$14,346,771)	(\$2,657,199)
Harvey Rice	450	new	Dec-08	plus 7m	\$13,683,580	(\$16,430,304)	(\$2,746,724)
West Side Relief HS*					\$668,653	(\$1,358,860)	(\$690,207)
Willson / LFI demo	574	new	Mar-09	plus 9m	\$12,099,809	(\$15,419,172)	(\$3,319,363)
Totals					\$111,714,849	(\$138,084,427)	(\$26,369,586)

*moved to Segment 5

***reflects currently planned target

Segment 4: originally 15 schools, reduced to 10 pre-K-8s. The segment, including non-budget LFI costs, was projected as of the end of May (The Construction Manager's summary report for June omitted a cost breakdown for Segment 4) to be about 20.1 percent over the Project Agreement target.

- Load-bearing masonry is complete, and installation of the brick veneer is ongoing at Euclid Park (off Ansel Road between Kosciuszko and Pulaski avenues). Installation of utility lines and geothermal piping also continues.
- Installation of roofing, brick veneer and windows continues at Jamison (13905 Harvard Ave.).
- The focus for July is site utilities, foundations and the start of geothermal wells at Adlai Stevenson (3938 Jo Ann Drive) and Charles Dickens (3552 East 131st Street).
- Installation of site utilities and bearing masonry are continuing at George Washington Carver (2201 East 49th Street).
- Mobilization of contractors is to begin this month at Anton Grdina (3050 East 77th Street), pending completion of property transfers between the City and the District. The current Grdina is to be demolished in 2010, after the new one is built. A review of the subsurface and an existing sewer at the Grdina site found the need for remedial work, resulting in new cost estimates.
- Foundations were completed in June at Nathan Hale (3588 Martin Luther King Jr. Drive), and the focus for July is installation of site utilities and bearing masonry and the start of geothermal wells.
- At Thomas Jefferson (3145 West 46th Street), excavation and remediation of subsoil that was found to be unfit for supporting a new structure continues this month. After that comes the start of foundations and installation of bearing masonry.
- Design work continues for Charles Lake (9201 Hillock Ave.). The District had problems with the original architect but decided to follow through with it.

- Final design work continues for the new Mound (5405 Mound Ave. in the Slavic Village area). Bid advertisement is still planned for this summer, pending land transfers and vacation of a city street.
- Five of the schools (Nathan Hale, Euclid Park, Dickens, Stevenson and Grdina) are to have geothermal heating/cooling systems. Lake is to be designed with a conventional heating system that can be adapted to a geothermal source. 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 contract with the Cleveland Teachers Union for kindergarten through third grade.
- The new Master Plan deletes Audubon (3055 Martin L. King Jr. Drive) from schools slated to receive co-funded improvements. Audubon is now scheduled to receive \$4.5 million in improvements during Segment 10.
- **Latest scheduled occupancy dates:** August 2010: Jamison, Carver, Euclid Park; Jan. 2011: Dickens, Grdina, Stevenson, Jefferson, Hale; March 2011, Mound, 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 18m	\$12,494,986	(\$13,958,376)	(\$1,463,390)
Corlett Demo					\$306,983	(\$702,709)	(\$395,726)
Euclid Park	351	new	May-09	plus 15m	\$11,863,598	(\$14,138,537)	(\$2,274,939)
Lake	400	new	May-09	plus 22m	\$10,839,836	(\$15,155,278)	(\$4,315,442)
Jefferson	785	new	Aug-09	plus 17m	\$19,180,034	(\$19,629,543)	(\$449,509)
Mound	450	new	Aug-09	plus 19m	\$12,357,938	(\$14,947,517)	(\$2,589,579)
Grdina	540	new	Sep-09	plus 16m	\$15,353,878	(\$18,626,059)	(\$3,272,181)
Audubon*	450	new			\$0	\$0	\$0
Carver	450	new	Jun-09	plus 14m	\$12,573,569	(\$13,832,365)	(\$1,258,796)
Hale	400	new	Jul-09	plus 18m	\$11,003,699	(\$13,909,155)	(\$2,905,456)
Jamison	450	new	May-09	plus 15m	\$12,128,122	(\$14,370,643)	(\$2,242,521)
Cleveland Demo					\$531,655	(\$1,008,914)	(\$477,259)
Stevenson	450	new	Aug-09	plus 17m	\$10,805,208	(\$15,200,153)	(\$4,394,945)
Totals					\$129,439,506	(\$155,479,249)	(\$26,039,743)

*** reflects currently planned target

*deleted from co-funded Master Plan

Segment 5: The new Segment 5 approved as part of the revised Master Plan in late July 2008 includes four high schools (including a K-12) and seven PreK-8 schools. The District Administration once expected to award contracts for architectural and engineering design this spring, but that has not occurred. Now awards await District review of a consultant's study of District facilities use and programs. The District reported receiving 16 bids.

District officials have said the planning scope for two specialty schools, Max Hayes vocational and Cleveland School of the Arts, will be contingent on the extent to which civic and business interests are able to provide money for amenities and facilities not eligible for OSFC co-funding.

The District currently lacks the construction money to complete Segment 5, so the OSFC will not formally enter a Project Agreement for the segment until the cash is on hand. However, the District issued \$15 million in notes in December 2008, allowing it contract for the start of design work. The District will not be reimbursed by the OSFC until the District is able to raise the required additional funds. The District plans to do so in a \$55 million bond issue, the timing of which is now uncertain.

The current, tentative schedule for Segment 5 schools:

- Almira (1815 Larchmere Blvd.), Charles Mooney (3213 Montclair Ave.), Forest Hill Parkway (450 East 112th St.), Miles (11918 Miles Ave.), Orchard (4200 Bailey Ave.), and Paul L. Dunbar (2200 West 28th St.) PreK-8 schools are to be demolished in summer/fall 2009 to make way for new schools. Forest Hill and Almira are to be ready for classes in January 2012. The rest are scheduled for classes in August 2012.
- The renovated Louisa May Alcott (10308 Baltic Road) preK-8 school is slated for completion in September 2011, but no class date has been set.
- The new Cleveland School of the Arts (2064 Stearns Road), Max Hayes (West 65th St. and Walworth), John Marshall (3952 West 140th St.), and West Side High (site to be determined) high schools are to be ready for classes in August 2013. The projected bid date is November 2010.

Questions? Contact us: (216) 987-3309 bondaccountability@hotmail.com