Gregory-Portland Independent School District

# BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

CC: BOARD OF TRUSTEES
PENNY ARMSTRONG
DEBORAH GARZA
DR. WILLIAM STOUT
DR. MICHAEL NORRIS
BRITTNEY SOLIZ SANDOVAL

DATE: Monday, July 27, 2026

SUBJECT: Discuss and Take Possible Action Regarding Approval of the Schematic Design and Any Necessary Revisions to the Project Budget for the Bond 2025 Visual and Performing Arts Center Project

PRIORITIES

*PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE*
N/A
*PRIOIRTY 2: HIGH PERFORMING AND ENGAGED WORKFORCE*
N/A
*PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT*
N/A
*PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS*
4.1 Annually improve operational processes
4.2 Maintain fiscal viability; stewardship; and improve staff knowledge of sustainable budgeting processes

## BACKGROUND INFORMATION:

Type: Action

In May 2025, Gregory-Portland ISD voters approved a **$205 million bond program**, which included funding for two major capital improvement projects:

- **$60 million** for the construction of a new **Visual and Performing Arts Academic Center**; and
- **$20 million** for **Career and Technical Education (CTE) Additions and Renovations** at Gregory-Portland High School.

Following voter approval, district administration evaluated the most effective way to deliver these projects. After extensive review with district leadership, instructional staff, and program stakeholders, the District determined that combining both projects into a single comprehensive **next-generation educational facility** would provide the greatest long-term educational value. Rather than constructing two separate facilities, the combined approach creates a centralized learning environment that integrates visual and performing arts, Career and Technical Education programs, and collaborative instructional spaces while maximizing operational efficiencies, shared resources, and student access.

In June 2025, the Board of Trustees approved **Studio Red Architects** to provide architectural design services for the combined facility and approved **Stridde, Callins & Associates (SCA)** to provide Mechanical, Electrical, and Plumbing (MEP) engineering services. All professional service agreements were finalized in July 2025.

From August through November 2025, the District conducted an extensive visioning and programming process to establish the educational goals and design priorities for the facility. A Visioning Committee, consisting of Board members, district leadership, campus administrators, teachers, community members, business partners, university representatives, and industry professionals, met on multiple occasions to provide input regarding the facility's educational purpose, instructional needs, and long-term vision.

During this same period, Studio Red facilitated numerous user-group meetings with representatives from theatre, band, visual arts, audio/visual, Career and Technical Education, and other instructional programs to identify specific operational requirements, equipment needs, and instructional spaces. District administration met regularly with the design team throughout this process to review concepts, evaluate alternatives, and prepare the project for procurement.

The proposed facility is planned to be constructed on the existing Gregory-Portland High School campus in the current student parking area. This location was selected because it provides the best opportunity to enhance student circulation, preserve campus operations, complement the long-range campus master plan, and maintain architectural continuity along Wildcat Drive.

In December 2025, following a competitive procurement process, the Board of Trustees approved **Bartlett Cocke General Contractors** as the District's **Construction Manager-at-Risk (CMAR)** for the project.

Following execution of all professional service and construction management agreements, the project entered the **Schematic Design Phase**. From January through June 2026, Studio Red, Stridde, Callins & Associates, Bartlett Cocke, and District administration worked collaboratively to develop the schematic design while continually evaluating construction costs with the goal of delivering the project within the District's established **$65 million construction budget**.

On **June 23, 2026**, the District conducted a comprehensive schematic design review with the architect, engineering team, construction manager, and District leadership. During that meeting, Studio Red presented the proposed schematic design, and Bartlett Cocke presented the corresponding construction cost estimate.

Based on the completed schematic design, the current estimated **construction cost** is **$74,981,210**, approximately **$10.0 million** above the District's original construction budget of **$65 million**. The estimate reflects current construction market conditions, inflationary pressures, and the scope necessary to deliver the educational vision developed throughout the programming and design process.

## Purpose of Board Action

The purpose of this agenda item is to request Board direction regarding the proposed schematic design and the associated project budget.

If the Board wishes to proceed with the schematic design as presented by Studio Red, administration is recommending approval of the schematic design together with an **additional budget allocation of approximately $11.0 million from the District's General Fund Balance**. This additional allocation is intended to provide sufficient funding for both the increased construction costs and related project soft costs necessary to complete the project.

The Board of Trustees must determine whether the District's available General Fund Balance should be used to support this one-time capital investment and whether doing so is consistent with the District's long-term financial priorities and Board-adopted fund balance guidelines.

Additionally, administration notes that Texas law allows school districts to preserve the opportunity to reimburse eligible General Fund expenditures from the proceeds of a future voter-approved bond election through the adoption of a **Reimbursement Resolution**. By adopting such a resolution, the District may initially fund eligible project costs using General Fund resources while preserving the legal ability to reimburse those expenditures with future bond proceeds, provided:

- the Board declares its official intent to reimburse eligible expenditures within the required legal timeframe;
- voters subsequently approve a future bond election; and
- reimbursement occurs within the time limits established under federal tax regulations.

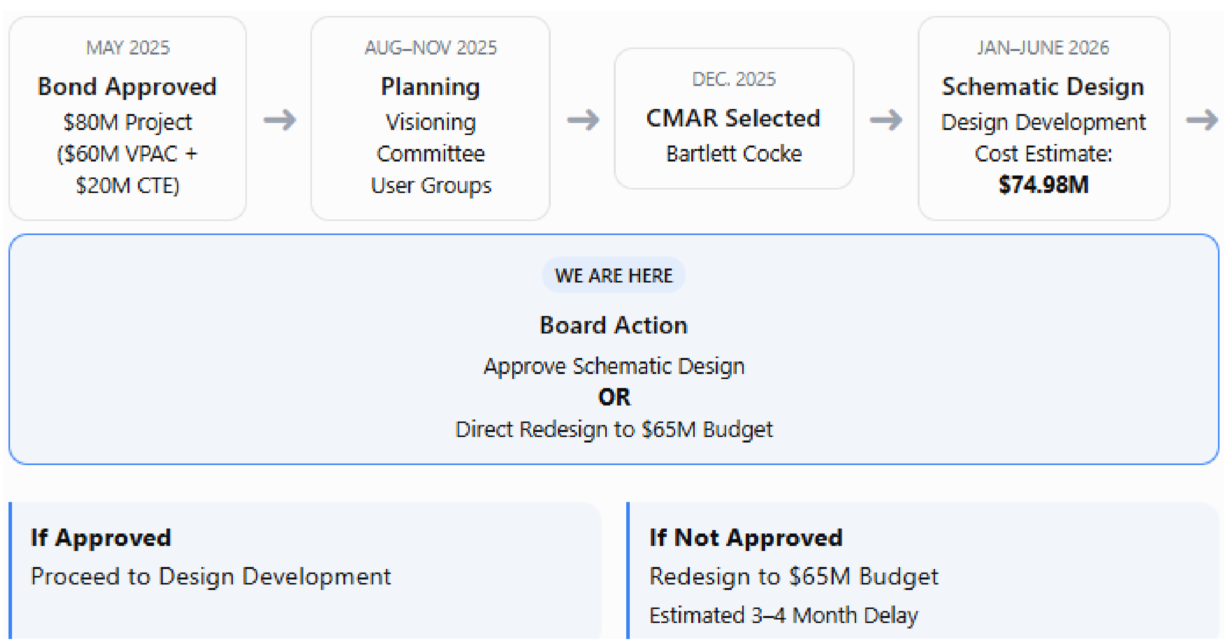
Based on the anticipated project schedule, this financing structure could allow the District to consider reimbursement through a future bond election as late as the **November 2028 Uniform Election**, if the Board chooses to pursue that option and voters ultimately approve the issuance of bonds.

Approval of this item would authorize Studio Red and the design team to proceed into the **Design Development Phase**, allowing the project to remain on schedule and avoid additional construction cost escalation.

## Alternative Option

If the Board elects **not** to approve the additional budget allocation, administration would direct Studio Red and the project team to redesign the project and reduce the scope of work to meet the original **$65 million construction budget**.

Administration estimates that redesigning the project would require approximately **three to four additional months** of schematic design, value engineering, and construction cost estimating before the project could return to the Board for further consideration. During that period, continued construction inflation and market escalation may further impact project costs and could reduce the overall purchasing power of the approved bond funds.



## RECOMMENDATION:

Administration recommends that the Board of Trustees review the proposed schematic design, construction cost estimate, and associated budget implications, and determine whether to:

1. Approve the proposed schematic design as presented by Studio Red Architects;
2. Approve the necessary budget amendments and any additional budget allocation required to proceed with the project;
3. Authorize the project to proceed into the Design Development Phase; and
4. Authorize administration to take all actions necessary to implement the Board's direction, including preparing any future reimbursement resolution should the Board elect to preserve the option of reimbursing eligible General Fund expenditures from the proceeds of a future voter-approved bond issuance, in accordance with applicable state and federal requirements.

## FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):

Funding Source: General Fund Balance

Budget Increase Allocation: $11,000,000

## BOARD RELATED POLICY:

CE (LEGAL) (LOCAL)

## ACTION ITEM SUGGESTED MOTION (if applicable):

That the Board make a motion to approve the schematic design for the Gregory-Portland ISD Visual and Performing Arts Academic Center and Career and Technical Education (CTE) Facility as presented; approve an additional budget allocation of $11,000,000 from the General Fund Balance and any necessary budget amendments; authorize the project to proceed into the Design Development Phase; and authorize administration to take all actions necessary to implement the Board's direction, including preparing a reimbursement resolution if directed by the Board.