

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS

FACILITIES COMMITTEE

Tuesday, December 21, 2010

8:30 AM @ District Service Center Board Room

AGENDA

Page

1. North Education Center (NEC) Facilities Committee Agenda for December 21, 2010
 - * Facilities Committee Meeting Agenda for December 21, 2010
 - * Best Value Memo
 - * Best Value Conference Information (February 2011)
 - * Construction Summary Weekly Report (Sample)
 - * Risk Detail Report (Sample)
 - * NEC Budget
 - * North Education Center Story
 - * NEC Fact Sheet

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Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

GROUP: Facilities Committee

DATE: December 21, 2010

TIME: 8:30 – 10:30 a.m

LOCATION: DSC Board Room

PROTOCOLS:

Decisions will be made via consensus on the agenda items.

CONVENER: Tom Shultz

FACILITATOR: Peyton Robb

ATTENDING:

LONG TERM PURPOSE

The Facilities Committee for the North Education Center project will provide oversight and direction to administration and bring recommendations to the full Board for approval as needed.

AGENDA ITEMS	OUTCOMES	TIME BUDGETED	ACTION
1. Best Value Process	Committee members will discuss the 12-15 meeting with potential bidders for NEC, the Best Value training session and understand the timeline for bidding.	20 minutes Peyton R & Tom S	
2. Best Value Conference 2/14-17/11	Board member to attend this conference will be identified	10 minutes Group	
3. Construction Summary Weekly Report and Risk Report	Committee members will discuss what a Board report on NEC should contain and sample reports from the Rochester School District utilizing the Best Value approach will be shared.	30 minutes	
4. NEC Interior Materials / Colors	Committee members will understand colors and patterns directions	15 minutes Tom S	
5. Hosterman Demo Progress	Committee members will be updated on demo progress	10 minutes Tom S	
6. Latest Budget Estimate	Committee members will review and understand the latest budget figures from TSP	15 minutes Mark T	

HANDOUTS:

1. Tom Shultz Memo for 12/9/10 Board Meeting (Best Value Dates)
2. February 2011 Best Value Conference Information
3. Construction Summary Weekly Report
4. Risk Detail Report
5. North Education Story
6. Fact Sheet #3 – November

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

M E M O R A N D U M

Date: December 2, 2010

To: Sandy Lewandowski, Superintendent

From: Thomas Shultz, Director of Facilities

RE: NEC Update

The NEC project continues to move forward in small steps that do not require Board action but we want to keep the Board informed as to some of these key actions.

The following are items that have occurred recently or will be occurring in the near future:

- 11/18/10 \$29.8M federal QSCAB funds deposited in District 287 bank account
- 11/29/10 Demolition of actual brick & mortar of Hosterman initiated
- 11/30/10 Selection of materials for flooring, wall coverings & exterior components completed
- 11/30/10 TSP review of project budget estimates remain on track

Best Value Events and Critical Dates

12/1/10	RFP Released for general contractor
12/15/10	Educational meeting & Pre Bid meeting
12/15/10	NEC Site Tour for potential bidders
1/17/11	Construction documents released
1/24/11	Last Day For questions [2:00 PM]
2/4/11	Critical Subcontractors RAVA Plan Due [2:00 PM]
2/7/11	Proposals Due [2:00 PM]
2/17/11	Interview of shortlisted vendors
2/18/11	Identification of potential general contractor
3/21/11	Pre Award meeting
3/24/11	School Board award of contract

At the January 18, 2011 Facilities Committee meeting we will discuss the Best Value process with regard to Board oversight and budget and project monitoring. A sample of this report will be provided at this meeting.



2011

February 14-17, 2011 | Tempe, Arizona, USA

BEST VALUE CONFERENCE

registration

schedule

venue & hotel

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About The Conference

Is your organization struggling with reduced funding, low performance, and late projects?

Are you having to over-manage your projects and employees?

Then join us for the annual Best Value Conference, held at the Fiesta Resort Conference Center in Tempe, Arizona. Here you'll learn about an exciting new "best value" business model that alleviates these and other common problems that organizations face today. This business model has been tested for 16 years, on over 775 case studies, and throughout many different industries, resulting in a 98% satisfaction rate! It can minimize management effort by up to 90%, and maximize vendor profit.

[Interested? Register Today!](#)



What You Will Learn

Implementing Change

- Minimizing Internal Politics
- Reducing Resistance
- Developing the Core Group
- Decision-Making Model
- Three-Phase Process Duration
- Common Mistakes to Avoid

Reporting Outstanding Results

- Communicating Data
- Identifying/Analysis of Best Value
- Risk Management Plan
- Weekly Contractor Reports
- RFQ/RFP Principles and Techniques

Establishing Alignment

- The Visionary Process
- Values, Vision, Goals, Objectives
- The PIPS/Best Value Process
- Creating Measurements
- Explanation of Roles
- Understanding the Impact of Roles

Lessons From Top Leaders

- Doing the Right Things Right
- Case Studies on Design/Construction Projects
- Case Studies on Professional Services
- Understanding the FAR
- What it takes to get started

Who Should Attend

- | | | |
|-----------------------|-----------------------------|-----------------------------------|
| • Executive Personnel | • Facility/Project Managers | • Procurement/Contract Managers |
| • Building Owners | • Design/Architects | • Contractors & Service Providers |
| • Property Managers | • Healthcare Engineers | • Business/Operational Managers |

- » Continuing education units (CEUs) will be available for all professional designations.
- » Network with other users that have implemented best value and overcome difficulties.

Testimonials

"It has opened my eyes to a simple, logical, and efficient way of handling projects. This is the beginning to an entire paradigm change for myself and the GSA."

— *Jeff Meyer, Project Manager, General Services Administration Region 6*

"The best value model is a 360 degree approach to effecting cultural change, managing political acceptance and attracting high performance vendors for the best price."

— *John Morrison, AIA, State Construction Administrator, Oklahoma Department of Central Services*

"Our experience with 'Best Value' applications is with major outsourced services and we are pleased with the results to date. I recommend the conference to anyone who is looking to incorporate this approach into their procurement portfolio."

— *Ray Jensen, Assoc. VP University Business Services, ASU (NACAS Member)*

"The PIPS process has provided me with a viable alternative to "traditional" RFP development and evaluation which has lead Idaho to utilize in two large service contracts. I highly recommend this book to anyone who wants to break the 'we've always done it this way' mantra."

— *Mark Little, CPPO, State Purchasing Manager, Idaho (NIGP Member)*

In Partnership With



Sample

Construction Summary Weekly Report

December 14, 2010

Project Name: **Willow Creek Middle School Phase I Renovation project**
 Project ID: **2/22/10**
 Contractor: **Key Builders**

Risk Rating:	6.3
Percent Complete	97%
Overall PM Risk Satisfaction	5.0
Number of Risks Resolved Late	0
Number of Unresolved Risks	1
Cost Impacts Waiting for Approval	0

Cost Analysis

Allocated Funds: \$350,000

Cost Impacts

Awarded Cost:	<u>\$326,000</u>
Potential Cost Increases:	<u>\$6,600</u>
<i>Forecasted Final Cost:</i>	<u>\$332,600</u>
<i>Percent Increase in Cost</i>	<u>2.0%</u>

Contractor Change Order Rate	<u>0.0%</u>
Non-Contractor Change Order Rate	<u>2.0%</u>

Schedule Analysis

Notice to Proceed Date: 4/21/2010

Schedule Impacts

Original Completion Date:	<u>8/27/2010</u>
Potential Project Delays:	<u>3</u>
<i>Forecasted Completion Date:</i>	<u>08/30/10</u>
<i>Percent Delayed</i>	<u>2.4%</u>

Contractor Delay Rate	<u>2.4%</u>
Non Contractor Delay Rate	<u>0.0%</u>

Project Schedule Analysis	Total Number of Risks	Schedule Impacts	Cost Impacts
1) NO RISKS	0	0	\$ -
2) CLIENT ISSUE / IMPACT	3	0	\$ 6,600
3) CONTRACTOR ISSUE / IMPACT	3	3	\$ -
4) DESIGN ISSUE / IMPACT	1	0	\$ -
5) UNFORESEEN IMPACT	1	0	\$ -
	8	3	\$ 6,600

UNFORESEEN RISKS

Sample

No	DATE ENTERED	RISK CATEGORY	RISK DETAILS	PLANNED RESOLUTION DATE	ACTUAL DATE RESOLVED	IMPACT TO OVERALL PROJECT DURATION	IMPACT TO OVERALL PROJECT COST	APPROVED MOD NUMBER	PM SATISFACTION RATING
0	1/15/09	Please identify the party responsible for the risk from the drop down menu	Please describe the details of the risk: 1. What is the risk / why was it unexpected? 2. What will be done / what is plan to minimize this risk? 3. Who is responsible for resolving the issue? 4. What kind of impact will this have? 5. Any updates to this risk (if applicable)	2/15/09	2/1/09	15	\$10,000	1	5
1	6/25/10	3) CONTRACTOR ISSUE / IMPACT	1. VAV Boxes are on a late delivery. This is unexpected due to a subcontractor to a separate prime purchasing these units. 2. The Plumbing Prime Contractor has paid for a quick ship for this product. 3. The Plumbing Prime Contractor is Responsible. 4. If the VAV are not here in time it will impact the installation of ceilings, at this time the impact cost will be used to pay overtime to ceiling contractor to complete within schedule. 5. Update to the risk is that the Mechanical Prime Contractor has been able to accelerate the delivery of these items. If the VAV come on 7/12/10 as noted, then the risk is eliminated.	6/29/10	6/27/10	0	\$0		
2	6/25/10	5) UNFORESEEN IMPACT	1. Pouring of the chiller pad is later than the Plumbing contractor wanted it. Delivery dates of owner's chiller were unknown at bid time. 2. The chiller pad is being poured on time by the original schedule. 3. Key Builders is responsible to solve this issue. 4. The Plumbing contractor will have cost to remobilize crane for a second time to load on to pad. 5. The Mechanical prime contractor has this work scheduled.	6/25/10	6/25/10	0	\$0		
3	6/25/10	4) DESIGN ISSUE / IMPACT	1. Housekeeping pads in mechanical room need to be re-poured and they were not indicated in design. The new equipment going into place is smaller than the original equipment. Housekeeping pads were presumed to be the same size as existing. 2. Housekeeping pads are being poured in the locations requested by the plumbing prime contractor. 3. Key Builders will resolve this issue. 4. The impact is that there is cost to the concrete pads. 5. Key Builders will be attempting to pay for this concrete using money saved in the masonry section.	7/12/10	8/27/10	0	\$0		
4	7/2/10	2) CLIENT ISSUE / IMPACT	1. Owner added non-scope items to the project. 2. When the owner adds scope to the project we will provide a total cost of what the scope change will be. If scope change can be covered with scope savings, then there will be no added cost to the final contract. 3. Key Builders is responsible to track the scope change cost issues, and the scope change deducts. 4. Basic scope changes can have a cost issue related, large scope changes will have a schedule impact unless overtime is required to complete on time, then it would be a cost change.	7/16/10	8/11/10	0	\$0	1	5

UNFORESEEN RISKS

Sample

No	DATE ENTERED	RISK CATEGORY	RISK DETAILS	PLANNED RESOLUTION DATE	ACTUAL DATE RESOLVED	IMPACT TO OVERALL PROJECT DURATION	IMPACT TO OVERALL PROJECT COST	APPROVED MOD NUMBER	PM SATISFACTION RATING
0	1/15/09	Please identify the party responsible for the risk from the drop down menu	Please describe the details of the risk: 1. What is the risk / why was it unexpected? 2. What will be done / what is plan to minimize this risk? 3. Who is responsible for resolving the issue? 4. What kind of impact will this have? 5. Any updates to this risk (if applicable)	2/15/09	2/1/09	15	\$10,000	1	5
5	7/9/10	3) CONTRACTOR ISSUE / IMPACT	1. The electrical prime contractor is unable to tell the team the date the light fixtures will be delivered. 2. Electrical Prime contractor is working with supplier to move up delivery date. 3. The electrical Prime Contractor is responsible to resolve this issue. 4. The impact is that we must be complete with this project within four weeks and we do not have a confirmation on delivery of these fixtures. 5. Electrical subcontractor is installing temporary light fixtures so that the ceiling can be closed up and the building be cleaned and handed over.	7/13/10	8/23/10	3	\$0		
6	7/30/10	3) CONTRACTOR ISSUE / IMPACT	1. The ceiling contractor has informed us today that the ceiling tile for the band rooms and choir room have not shipped and are now scheduled to ship on 8/18/10. 2. The contractor is pushing for a quicker delivery. If the delivery cannot be adjusted then an alternate approved tile will need to be provided for proper turnover. 3. The ceiling contractor is responsible to resolve. 4. The impact is a delay of handing over these rooms on time.	8/2/10	8/2/10	0	\$0		
7	8/6/10	2) CLIENT ISSUE / IMPACT	1. Owner requested that Lockers outside of the scope area be removed and relocated. The lockers were sitting on concrete curbs that required equipment and labor for removal. 2. We completed this work. The owner approved the cost, if we can pay for the cost in the masonry savings we will. 3. The costs are being tracked by Key Builders. 4. The impact is a cost increase approved by the owner.	8/13/10	8/11/10	0	\$3,800	2	
8	8/13/10	2) CLIENT ISSUE / IMPACT	1. Owner requested the removal of glass and replacement with metal stud and sheetrock walls that are outside the work scope and area. 2. This work is proceeding and should be completed by the final completion date of project. 3. The costs are being tracked by Key Builders. 4. The impact is a cost impact to the overall project.	8/27/10		0	\$2,800	3	

Intermediate District 287
North Education Center
Project Budget

March 1, 2010
 June 18, 2010
 September 23, 2010
 December 21, 2010



To Solve. To Excel. Together.

		03/01/10		06/18/10		09/23/10		12/21/10
		122,143 sf		129,630 sf		132,000 sf		132,000 sf
CONSTRUCTION								
Site Construction Cost	\$	1,800,000	\$	2,365,558	\$	2,244,239	\$	2,364,427
Building Demolition Cost	\$	-	\$	307,318	\$	323,000	\$	323,000
Building Construction Cost	\$	20,770,000	\$	23,954,250	\$	27,749,514	\$	27,464,896
General Conditions (in construction costs)	\$	-	\$	-	\$	-	\$	-

Construction Cost	\$	22,570,000	\$	26,627,126	\$	30,316,753	\$	30,152,323
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Construction Contingency 5%	\$	-	\$	1,315,990	\$	1,515,838	\$	1,507,616
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Construction Market Discount (12%)	\$	-	\$	(3,195,255)	\$	(3,638,010)	\$	(3,618,279)
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Subtotal Construction Cost	\$	22,570,000	\$	24,747,861	\$	28,194,580	\$	28,041,660
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DESIGN AND CONSULTANT FEES								
Architects and Engineers	\$	1,435,625	\$	1,435,625	\$	1,885,875	\$	1,885,875
Reimbursable Expenses	\$	33,746	\$	33,746	\$	33,746	\$	33,746
Plan Reproduction	\$	55,000	\$	55,000	\$	55,000	\$	55,000
Furniture Design	\$	24,500	\$	24,500	\$	24,500	\$	24,500
Technology and Security Consultant	\$	81,400	\$	81,400	\$	96,790	\$	96,790
Review and Comment	\$	2,500	\$	2,500	\$	2,500	\$	2,500
Commissioning	\$	100,000	\$	100,000	\$	100,000	\$	100,000
Energy Modeling	\$	10,000	\$	10,000	\$	10,000	\$	10,000
LEED Certification	\$	75,000	\$	-	\$	-	\$	-

Subtotal Fees	\$	1,817,771	\$	1,742,771	\$	2,208,411	\$	2,208,411
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OWNER ADMINISTRATIVE COSTS								
Permits and Plan Review Fees	\$	135,263	\$	135,263	\$	135,263	\$	135,263
Hazardous Material (by others)	\$	-	\$	-	\$	-	\$	-
Site Survey	\$	22,900	\$	-	\$	-	\$	-
Environmental Consultant: Phase 1 Environmental Assessment	\$	19,179	\$	-	\$	-	\$	-
Builder's Risk Insurance	\$	60,743	\$	60,743	\$	60,743	\$	60,743
Liability Insurance	\$	-	\$	-	\$	-	\$	-
Quality Testing	\$	65,060	\$	65,060	\$	65,060	\$	65,060
Misc Admin and Legal	\$	-	\$	-	\$	50,000	\$	50,000

Subtotal Owner Administrative Costs	\$	303,144	\$	261,066	\$	311,066	\$	311,066
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FURNISHINGS, FIXTURES, & EQUIPMENT (FF&E)								
Furniture	\$	350,000	\$	350,000	\$	350,000	\$	350,000
Owner Equipment	\$	-	\$	350,000	\$	350,000	\$	350,000
Computers	\$	-	\$	-	\$	-	\$	-
Security Systems	\$	214,174	\$	135,000	\$	135,000	\$	191,251
Signage	\$	35,000	\$	35,000	\$	35,000	\$	35,000
Technology	\$	600,000	\$	858,000	\$	821,500	\$	822,101
Classroom A/V Systems			\$	367,000	\$	368,000	\$	508,622
Gymnasium A/V Systems							\$	110,000

Subtotal FF&E	\$	1,199,174	\$	2,095,000	\$	2,059,500	\$	2,366,974
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Site Purchase	\$	1,250,000	\$	1,175,000	\$	1,175,000	\$	1,175,000
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Subtotal Project Cost	\$	27,140,089	\$	30,021,698	\$	33,948,557	\$	34,103,111
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THIRD FLOOR ALTERNATE		22,940 sf	25,521 sf	25,521 sf
Shell Space Construction Cost	\$	2,440,000		
Build-out Construction Cost	\$	1,812,260		
Subtotal-Shell and Build-out Construction Cost	\$	4,252,260	\$ 4,235,778	\$ 3,840,503
Technology			\$ 128,400	\$ 110,932
Security			\$ 25,500	\$ 17,749
Construction Cost	\$	4,252,260	\$ 4,389,678	\$ 3,969,184
Construction Contingency 5%	\$	212,613	\$ 219,484	\$ 198,459
Construction Market Discount (12%)	\$	(510,271)	\$ (526,761)	\$ (476,302)
Total Construction Cost for Third Floor Alternate	\$	3,954,602	\$ 4,082,401	\$ 3,691,341
"DIRTT" Alternate (modular wall system)	\$	1,258,716	Included above	Included above
Playground Equipment	\$	32,000	\$ 32,000	\$ 32,000
Playground Equipment Premium				\$ 44,584
Total Project Cost	\$ -	\$ 35,267,016	\$ 38,062,958	\$ 37,871,037
		Amended w/Const Cont added		
*Costs that are to be covered by other District Resources				
Fund Balance		307,318.00	323,000.00	
Interest Earnings on Construction Escrow Account		1,315,990.00	1,515,838.00	
FY11, 12, 13 MA Revenue and Fund Balance		2,095,000.00	2,059,500.00	
FY10 MA Revenue		1,175,000.00	1,175,000.00	
Interest Earnings on Construction Escrow Account		212,613.00	219,484.00	
		<u>5,105,921.00</u>	<u>5,292,822.00</u>	
Amount to be financed		30,161,094.68	32,770,135.83	
Qualified School Construction Bond Allocation		(29,790,000.00)	(29,790,000.00)	
Potential Additional Financing		<u>371,094.68</u>	<u>2,980,135.83</u>	

Intermediate District 287 – The North Education Center Story

How did the NEC project come to be?

- **Why has District 287 considered new construction or remodeling in the north area?**

District 287 is seeking predictability and fiscal responsibility of dollars being spent on facilities. Unlike other districts, District 287 has been a renter, rather than an owner of school sites. In recent years, District 287 has been researching this 'rent vs. own' issue and seeing the advantages of ownership of some sites not only for students' needs but also in terms of cost. For example, District 287 spent \$1.1 million in FY10 for the lease of Hosterman, located at 5530 Zealand Avenue North and North Vista, located at 3510 France Ave North. Rent increases for FY10 were 5% for Hosterman and 23% for North Vista. If 287 did nothing and continued to lease, it would pay an estimated \$3.3M in annual rent in 2030 for these two sites, have no equity and be facing continued rent increases (assuming an annual 5% increase in rent over 20 years). In completing this project there will no longer be a rent or debt payment for this property in 2030.

- **Aren't student enrollments declining right now? Will we need the space in the future?**

The current enrollment in the programs intended to be located at NEC is very stable with some programs already closed to non-members. This is due to a "at -capacity" status and the need to reserve space for potential new students from our members. We expect stable enrollment to continue well into the future and anticipate that we will continue to serve students that require customized space that provides for small group learning and numerous break out spaces.

- **Why not rent or purchase a school building from a member district?**

287 examined the MDE listing of all school sites for the state, narrowed them down to our member districts, then sorted by size, location and availability. The Hosterman property met the preliminary criteria of size, location, and availability. Other buildings considered needed to be in a location that worked for the needs of our student and member districts. Transportation is a big issue; both for the member districts and the students (bus times). Size was also a consideration along with age and condition. There was no school building available at that time that met the criteria for location and size.

- **Why not remodel and remain at Hosterman?**

It was not fiscally prudent. A study done by architectural firm TSP showed that it would cost about \$26.6M to remodel Hosterman (2008 estimate by TSP) versus costs in the \$27.5M range to either build new or renovate a commercial property. First, there was much unneeded/unused space at Hosterman that 287 paid to maintain. Secondly, the Hosterman lease was projected to rise 5% in the coming years and that did not include the much needed capital improvements, such as windows, roof and electrical system. Investment in the infrastructure of the building was not fiscally prudent given its age and condition.

- **What would the impact of a new or remodeled building be on the lease levy for member districts?**

Building a site to serve the combined student populations of Hosterman and North Vista would help slow the increase in the lease levy rates District 287 charges to the member districts. It could make the lease levy rates predictable and constant, rather than subject to inflationary pressures. 287 remains committed to maintaining the impact on member district lease levies at a level that is no greater than if the District remained at Hosterman/No Vista, assuming a 5% annual rent increase. Recent award of Federal Qualified School Construction Bonds (QSCB's)

of \$29.8 M to District 287 will make it possible to keep the impact lower than maintaining current lease practices.

- **How much would a new school cost and how would 287 finance the construction?**

TSP Architects have provided cost estimates ranging from \$34M to \$38M depending on the size of the building. We worked with Springsted, Inc. on financing considerations. With the award of \$29.8M in QSCB bonds, we are able to finance the majority of the project through the American Recovery & Reinvestment Act of 2009. Costs beyond that could be financed with other District resources, the elimination of additional operating leases or additional financing. Final financing decisions will be made prior to awarding the construction bids.

- **Might changes in the economy and in construction result in additional cost savings since building SEC?**

Yes; current construction projects are showing pricing at levels 15% – 20% below Means (construction standard method for cost estimating) estimates costing methods.

- **What is Best Value and why is 287 using this process?**

Best Value is an alternative means of procuring construction contractors to the traditional low-bid method. A Best Value approach considers price as well as performance criteria in the selection of contractors. This method has been recently authorized for public schools in Minnesota (MN Statute 16C.02 Subd. 4a). A Best Value method will allow District 287 to request and review proposals for the construction of NEC that will result in the selection of high performing contractors who will deliver fewer change orders, complete the project on time and at a competitive price. See <http://pbsrg.com/> for more information. Best Value has been proven to be successful for many organizations across the country and in Minnesota. The University of MN has been active in this method for five years with very good success. The Rochester School District uses this method exclusively for all their construction projects. The City of Rochester and Goodhue County are also users of this system. US Army Medical and GSA have also realized the positive results from implementing this program for their construction projects.

- **What financing did 287 use and how did the financing process end up?**

On October 28, 2010, District 287 issued \$29.8M in Certificates of Participation (COP's) using Federal Qualified School Construction Bonds (QCSB's). The interest on these COP's is taxable and was set at 6.0%. Because they are federally supported by the QSCB award, the Federal government will be paying 5.37% of the interest cost. District 287 will make annual debt service payments of \$1.38M for 19 years. Those payments will be accumulated in a "sinking fund" over the 19 years. The dollars in that fund will be earning interest to support the final payment. The final payment is referred to as a "bullet maturity". This is a concept similar to a balloon payment on a mortgage, only the dollars to make the payment will be accumulating in the sinking fund to make the full \$29.8M payment when due 2/1/2029. In the end, District 287 will have borrowed \$29.8M and will pay back \$24.9M from local sources. The difference as well as interest earnings to investors will come from the federal contribution and the sinking fund earnings.



Intermediate District 287

North Education Center NEC

November 2010 Fact Sheet #3

Background

North Education Center (NEC) will be built to replace the current Hosterman Education Center after a 15-month comprehensive facilities study showed it to be the most cost-effective solution to replace the aging facility. See the November, 2010 Q & A document for more background information on the NEC story.

NEC will be a flexible educational site that offers multiple programs for students. Wherever possible, NEC will replicate staffing and operational efficiencies seen at South Education Center in Richfield and easily adapt as programs grow and change to meet students' needs.

Size 157,521 sq ft (includes 3rd floor deduct)

Land 10 acres

Architect/Engineer TSP, Inc.

Timeline

October 2010 Design Development phase completed, CUP approved by City of New Hope, Financing of COPs with QSCABs for \$29.8M completed

November 2010 Demolition & site preparation for construction,

December 2010 Best Value RFP for general, mechanical & electrical contractors released

January 2011 Best Value bid proposals from contractors due

March 2011 Construction Begins

Fall 2012 Occupancy

Costs/Financing

NEC will provide long-term stability to District 287's lease expenses and keep costs to member districts in line with current lease levy amounts, while taking full advantage of current economic conditions for construction, low interest rates and federal stimulus funding.

Estimated project cost \$34 to \$38 million (depending upon how the bids come in)

Financing \$29.8 million federal Qualified School Construction Bonds awarded – largest QSCAB award in MN

\$ 24.9 million needed to pay off loan due to interest earned on sinking fund

Moody's Rating Aa2

Land Purchase \$1.175 million to Robbinsdale Area Schools

Comparison with SEC With the 3rd floor alternate, NEC will be 45% larger than SEC at a 55% lower cost

Programs/Enrollment

District 287's enrollment of students who need a "Hosterman-like" school is rising and projected to be a need for years to come. NEC will include classrooms for area learning center high school students, onsite daycare for infants and toddlers, transition services for older students and structured settings for students with autism, emotional/behavioral disorders and/or fetal alcohol syndrome. NEC will serve approximately 350 students who

currently attend Hosterman, North Vista and Invest/Venture High School and approximately 50 infants and toddlers of enrolled students.

Mission District 287's mission is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.