

**Building Excellence II Levy Oversight Committee
Meeting Notes, October 9, 2003
Stanford Center, Room 3802, 7:30a - 9:30a**

ATTENDANCE:

Members Present

David Hudd
Joey Ing
Ron Jelaco
Jay Keiper
Karin Nyrop
Ed Peters, Chair
Jim Travis

District Staff

Gary Baldasari
Ron English
Don Gillmore
Julie Krick
John Vacchiery

Visitors

Chuck Chinn, Roosevelt Consult.

Heery International Staff

Brian Berard
Charlie Demming
Kathryn Hawkins
Steve Moore
Ralph Rohwer
Roxann Robinson
Mitch Romero
Sean Ryan
Dave Wilson

INTRODUCTIONS:

The Committee, District and Heery staff members introduced themselves.

APPROVAL OF SEPTEMBER 12, 2003 MEETING NOTES:

The meeting notes were approved with the following correction. Delete the first bullet point at the top of page two, that begins, "There is a fine line.....".

IN-DEPTH PRESENTATION OF ROOSEVELT HIGH SCHOOL PROJECT:

Overview of project:

- The Roosevelt project is budgeted at \$84M which is about 20% of the BEX II program budget. The three high school budgets are 50% of the BEX II program budget.
- The various aspects of the permitting process roll up into the master use permit. As part of permitting, the EIS final draft was completed and accepted earlier this year. This is the cornerstone of the design process. Seattle School District acts as the lead agent for its EIS process.
- Landmarks process – 1922 building and part of 1928 building and part of auditorium, entry lobbies and old gyms in the school have been landmarked. Last week the Landmarks Board issued a certificate of approval for the design. This has been a lengthy process including numerous meetings with the Architecture Review Committee (ARC) from December through August. There has been controversy about certain parts of the building. The District design called for a new theater which has been approved.
- Departure process – the District negotiates on deviations from the land use code, called departures. The city Department of Neighborhoods facilitates the meetings. There were five meetings to discuss retaining walls, parking, and other issues. The land use code required 350 parking spaces. The District design came up with 88 spaces. The community and the Departure Committee agreed on 188 spaces.
- The District may have to condemn property south of the project, low-income housing, to develop into parking lots. However, one of the purposes of the departure process is to avoid condemnations. Gary Baldasari, John Vacchiery, and Charlie Demming met with the DCLU director on Monday about this issue. DCLU seemed agreeable to the District's solution although there has not yet been an official response.
- Master Use Process (MUP) – rolls up all the above processes. Once the MUP is issued there is a comment and an appeal process. To date the District has always been awarded the MUPs.

Committee questions and comments:

- *Can the parking issue stop the project?*
Yes. The District would like to uncouple the parking problem from the project because condemnation is a two-year process. This would allow construction to start on time next summer. The DCLU director seemed agreeable to this solution. The District has to follow land use codes so a DCLU departure is necessary.
- *The architect was hired 24 months ago. It takes two years of design preparation for a project of this complexity.*
- *The District tries to do many of these processes in parallel in order to expedite the process.*
- *Were the dealings with DCLU on departures anticipated?*
Not specifically. This is a complex project with active community participation.
- *The Committee complimented Gary on a very concise review of a complex process.*

GC/CM process:

- The state approved the use of the GC/CM process for Roosevelt. Hoffman Construction was selected. The K-12 community had not been approved to use GC/CM so the alternate contracting board has been issuing approval for pilot projects.
- The construction budget is \$56.5M. Hoffman has delivered a proposed, guaranteed maximum cost of \$62M. Negotiations are ongoing to close the gap. It is anticipated negotiations will be complete by October 22 and board approval will be sought.

Project schedule:

- The EIS process took almost one-and-one-half yrs. to complete. It drives the project because EIS has to be complete before the departure process starts.
- Construction documents will be finished in early April and will be out for pre-construction.
- The Notice-to-Proceed is scheduled for June 14, 2004 when demolition will begin on some of the buildings.
- Final completion is scheduled for June 2006.

Site work:

- The design retains the 1922 building and part of the 1928 addition. An addition will be added on the north and west sides. The cafetorium and gym will be demolished.
- The addition will house the cafeteria, new theater, and gym. The addition was lowered by one floor so neighbors on 68th Street could retain some view.
- The first floor will be divided into four houses to create schools within schools. There will be a total of eight houses within the school. Each house is 200 students of an estimated 1,600 enrollment. This concept allows as much versatility as possible for designing the instructional program. Changes can be made over time.
- The new school is about the same size as the old school but the campus has been consolidated from 4 disparate structures to one mega-structure.
- The existing field will be lowered six ft. in one area for a track and will be partially used for parking. The field is being lowered because of neighborhood adjacency issues and a community request to show off the landmarked building.
- The new field is regulation size and may be synthetic turf.
- Lincoln will be used as interim site for Roosevelt and the school will move in June 2004.
- A hand-out was distributed on the school design team (SDT) process. This is a good subject for a future meeting.

Committee questions and comments:

- *The construction schedule is tight, what happens if there is a delay?*

Heery does scenario planning to plan for problems and maintain the schedule. The project is structured to move as quickly as possible to avoid escalation costs. If Roosevelt is delayed, it will delay Garfield.

- What if something happens to the construction company?
There are no liquidated damages in the contract, but there are incentives to be a good partner.
- Why no liquidated damage?
GC/CM is a partnership rather a confrontational relationship. It fosters a non-punitive, more inventive contract.
- If the District can't come to terms with Hoffman does the architect continue with construction documents (CDs)?
The CDs are done in parallel with the negotiations, they are already partially complete. If negotiations with Hoffman haven't been completed by mid-January, then CDs continue.
- Do subs have liquidated damages?
It's a judgment call but the District has not been successful in using liquidated damages. Contracts have carried liquidated damages on all projects but they have proved to be an ineffective tool. They are now applied on a case-by-case basis.
- The architect estimation of construction costs was \$57.5M so the construction budget is reasonable. If the District can't reach agreement with Hoffman, the District could hard-bid the job. The estimator is independent of the contractor. The first estimate came from Heery.
- How much parking load is assembly load?
All of it is assembly load. The largest area is the gym.
- How does the physical design relate to the school design team (SDT) process?
Instead of having a traditional architectural review design process the current process begins with the school discussing the instructional program. This happens before the architect is involved and before the design process begins. Then the SDT process results in a concept, which evolves into a schematic design (SD) which then is turned into educational specifications (ed specs).
- Chuck Chin, former principal and consultant to Roosevelt:
The Roosevelt transformation committee is considering developing learning communities at the 9th grade. Roosevelt is one of four Seattle high schools that were awarded a small-high-schools grant and have to develop small learning communities by 2005. This creates potential for four or eight learning communities. The others are Franklin, Hale, and West Seattle. Cleveland has already divided into four small communities. The philosophy is to reduce anonymity in a large high school and to create a smaller, more cohesive grade. The cohorts would remain together throughout the four years. This provides a great deal of opportunity for personalization.

PROJECT OVERVIEW (in conjunction with information in the monthly report):

Beacon Hill Elementary, Mitch Romero:

- The building was built in 1970 and is an open concept similar to Kimball and Wing Luke.
- The SDT has approved an 18,000 sq. ft. addition which is not open concept.
- The project will bid in February.
- The project is on time and on budget
- There is a water main issue which has impacted the budget.
- The site is 1.9 acres, the second smallest site in the District, so staging will be difficult

Brighton Elementary, Sean Ryan:

- Brighton is in the Rainier valley and will hold 500 students.
- There is some space for paved play and parking.
- The project is on schedule and on budget.
- Structural steel and masonry walls will start in the next couple of weeks.

Cleveland High School, Dave Wilson:

- Cleveland opened this year with four small learning communities.
- The design concept was presented to the school board in July and SDs are complete.
- The SD presentation will be made to the school board next month.
- The GC/CM, Absher Construction, is now on board.
- The EIS process has started and the departure process will start later this year. Departure issues will be parking and building height.
- The site is less than nine acres, very small for a high school. Part of the athletic field is shared with Parks.

Dearborn Park Elementary, Gary Baldasari:

- The SDT process will begin in November
- The project is similar to Maple.
- The architect is Mahlum Architects.

Graham Hill Elementary, Kathryn Hawkins:

- The project is an 18,000 sq. ft. addition. The addition is built on the west playground. This is a relatively large elementary site, 4.5 acres.
- Construction started in July.
- The basement level is daycare. All schools have a daycare with independent daycare providers as tenants.
- Plumbing, electrical, and structural steel are complete and wood trusses are on site.
- The school should move in to the addition over mid-winter break.
- On schedule and on budget
- The construction team is working with neighbors.

Garfield High School, Don Gillmore:

- The project is at the mid-point of the design. The school has settled on four learning communities and the SDT is deciding on how to develop the building.
- The project is at the beginning of the EIS process. Next are Landmarks and departure processes.
- A conceptual design will be completed by the end of the year.
- A portion of the gym is owned by Parks and negotiation of a solution is underway.
- The GC/CM selection is beginning.

Hale High School, Don Gillmore:

- This project is an auditorium.
- The MUP and EIS processes were completed with no appeals.
- Negotiations have started with the GC/CM partner, Sellen Construction.
- Although a small project, \$9M, it is in the watershed of Thornton Creek and a lot of time has been spent working with community groups to mitigate problems.

Madison Middle School, Don Gillmore:

- This is a 126,000 sq. ft. renovation. The existing gym will be retained.
- There are two construction phases
 - First – demolition, asbestos, and sewer
 - Second – addition and renovation
- In order to tie the sports field to the school, it was decided during the value engineering (VE) process to raise the field by 10' which uses up some of dirt that would have to be hauled away. There has been soils stabilization on the upper and lower terraces.
- Substantial completion on the first phase is the end of this month.

- Demolition of the building is a week behind schedule but will finish on time.
- The program is divided into six learning communities.
- Interim site is Boren.
- Renewable resource – 180 wells, 300' deep will run heat pumps in the building. This method has been used in a few other schools. There will be an eight-year payback at \$15K savings a year to offset installation. The mechanical engineer is Wood Harbinger.

Committee questions and comments:

- *How many jobs do the Heery project managers (PMs) run?*
It depends on the size of the project. High schools are a full-time job for a PM; some of the PMs have two small projects or a project and a program responsibility. The Heery PMs run the projects on a day-to-day basis.
- *There are many coordination meetings: bi-weekly architectural review meetings, weekly contractor meetings, separate weekly change order meetings, permit meetings, weekly meetings with District staff, etc. Don and Gary attend as many as possible. Ralph also prioritizes his attendance. The whole group meets together Wednesday mornings.*

Maple Elementary School, Don Gillmore:

- The SDT process is just beginning and will take several months to complete.

South Shore Building, Don Gillmore:

- The project is at the end of schematic design. VE is finishing and the project is close to being in budget.
- There are no EIS concerns.
- There is enough parking to meet code.
- The school is surrounded by retail; there are no near residences.
- The site is shared with Parks so there is lots of play area.
- The building is 130,000 sq. ft. on one level.
- A design concern is how to fit pre-K – 8 into a large, warehouse-type building. The project team is working with the Sloane Foundation, Sound Transit, Parks, and the public.

Wing Luke Elementary, Brian Berard:

- The building was built in the mid-'70s.
- The project is an addition of six classrooms and a cafetorium.
- The design is unique and consists of wrapping the addition around the gym and combining it with the cafetorium to get a large community space.

Three BEX II projects managed by District staff (not in Heery monthly report), John Vacchiery:

- The Center School High School is complete.
- The Ingraham High School science wing is complete.
- Sealth High School modernization is beginning.

BEX II projects that haven't started, John Vacchiery:

- Lincoln will be renovated for Hamilton Middle School after Garfield moves out.
- The World School is the last project. This is a secondary bilingual center now housed at Old John Hay. The World School program is undefined as yet.

Lincoln High School, interim site, Gary Baldasari:

- Lincoln is currently under renovation as an interim site for Roosevelt and Garfield.
- There is a separate interim site budget of \$4M.

- The notice-to-proceed date (NTP) date was October 1.
- Some of the work at Lincoln is “permanent” and will be charged off to the Hamilton budget. Other funding comes from interim site budget.
- Some interim funding went to Hughes (Brighton) and Boren (Madison). When a closed building is reopened there are upgrades required by the City. There were several hundred thousand dollars of work needed.

COMMITTEE COMMENTS ON FORMAT AND CONTENT OF HEERY MONTHLY:

- *Each project description should give the completed size in square feet.*
- *Note from Heery: Some of the dimensions for additions may be confusing because part of the older building may be included in the final figures.*
- *Map – add Dearborn Park*

Master schedule:

- *Change “actual” line to show real-time progress. Delete what hasn’t happened yet.*
- *Show when the building should be substantially complete and the milestone for occupancy.*
- *Are there moves planned for other than the summer?*
Yes. Some of the smaller projects may move at mid-winter break. Larger moves are done in the summer.

Program costs summary:

- *This is a snapshot of the budget.*
- *Technology amount – this amount is on a separate track because it includes some work in all schools. John will talk at a later time about how technology is funded in the District.*
- *Original commitment - means contract amount, that which has been contracted for.*
- *Current commitment – the difference between current and original commitments is change orders.*
- *The Committee requests that GC/CM projects are shown differently.*
- *A board action is required to move funds from one project to another or from the ending fund balance, which is uncommitted reserve. Excess from closed projects is moved to the ending fund balance.*
- *Is there enough money to do the final project?*
Yes, but there are things we can’t control. Even with project contingencies it can still be very difficult to finish the program within the budget. John will report on BEX budget as a reality check.
- *Interest cash flow?*
Interest can be projected on cash flow. Interest builds up at the beginning of the program and gets spent down.
- *Seattle School District uses levies to fund major capital work. Money is collected every year rather than up front.*

Project information:

- *Project cost summary - this shows projected cash expenditures over the life of the project. This is a model to project cash flow. There are two tracks, early start and late start, plus a line for “actual”. The consequence of early or late is how much money is needed in the bank at a certain time. The ways the District can invest money is restrictive and based on cash flow. For the BEX program, the accounting department was able to find long-term investments that increased yields.*
- *“Critical issues” section on project status page – all problems and issues should be shown here.*

Overall:

- *The whole report is very good.*

- *Since the report is the only way the Committee has to determine where there are problems, make sure that issues are noted in executive summary as well as in project status and in verbal reports.*
- *Ron English will review claims and other issues at each meeting in executive session.*
- *Don and Gary know of all issues that are in the monthly report.*
- *There is a change order report that the committee will receive as it develops.*

MISC.:

- There is a Maple SDT meeting on October 13, 3:30p at Maple. The BEX II Oversight Committee is welcome to attend.

ACTION:

- Committee would like a “cheat” sheet of all process steps as a guide to District construction projects.

AGENDA FOR NEXT MEETING:

- In-depth review
- Project status
- Development of capital projects, budget and scope
- Discussion of areas of focus for the Committee

AGENDA TOPICS FOR FUTURE MEETINGS:

- Review of school design team (SDT) process
- Liquidated damages
- How the District funds technology
- BEX program budget and cash flow

Adjourned at 9:32

Recorder: Julie Krick