



SCHOOL BOARD ACTION REPORT

DATE: December 5, 2016
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent of Capital, Facilities, and Enrollment Planning, (206) 252-0644, ltherndon@seattleschools.org

1. TITLE

BTA IV: Magnolia Elementary School Renovation and Addition: Approval of Budget Increase **For Introduction:** January 4, 2017
For Action: January 18, 2017

2. PURPOSE

This Board Action would transfer \$5,879,544 in funding from the Buildings, Technology and Academics/Athletics (BTA) IV Levy Program Contingency to the BTA IV Magnolia Elementary School Renovation and Addition project budget.

3. RECOMMENDED MOTION

I move that the School Board approve a one-time fund transfer from the BTA IV Program Contingency to Magnolia Elementary School Renovation and Addition in the amount of \$5,879,544.

4. BACKGROUND INFORMATION

a. Background

Subsequent to the BTA IV levy planning effort, which included re-opening Magnolia Elementary School, the latest revised edition of the Elementary School Educational Specifications was released. Consequently, it became apparent during schematic design of Magnolia Elementary that more extensive remodeling than anticipated during levy planning is necessary to make the building conform to the revised educational specifications. The additional funding requested will enable the school district to provide students and staff with an up-to-date learning and teaching environment as defined by the current educational specifications.

Additionally, the building design will include energy conservation measures such as high efficiency boilers for hot water heating, added building insulation, double pane windows, mechanical heat recovery, LED lighting and metering of power outlets. These proposed improvements increase initial construction costs but lower building annual operating costs.

The amount of the transfer request was calculated by subtracting the estimated budget of \$28,716,949 at levy planning from the estimated budget provided at the end of schematic design of \$34,596,493 needed to meet the educational specifications and path to net zero environmental goals. In addition, identified offsite improvements in the public right-of-way are significantly greater than originally anticipated. The funding transfer request also includes adjustments to Architect's fees, permit fees and

construction change order contingency cost centers. Lastly, the transfer request also includes an adjustment in the text/curriculum materials cost center for purchase of new musical instruments, art equipment and supplies and physical education equipment and supplies not initially anticipated.

This is a request to transfer funds from the BTA IV Program Contingency budget to the Magnolia Elementary School project budget. The transfer of funds will not impact the funding budgeted to do the remaining work identified in the BTA IV Levy Program. Exhibit A attached summarizes the costs that comprise the funding request.

b. Alternatives

If motion is denied, not funding the adjustment of the project budget would negatively impact project success in meeting District Educational Specifications and operational goals.

c. Research

Elementary School Educational Specifications, May 31, 2016
Technical Building Standards, December 2012

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$5,879,544.

The revenue source for this motion is BTA IV Program Contingency.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

The development of the BTA IV projects list underwent extensive community engagement.

7. EQUITY ANALYSIS

The list of projects to be funded in the BTA IV Levy was developed with the goal of providing equitable access to school facilities across the District.

8. STUDENT BENEFIT

This action will benefit students by providing the necessary funding to design and construct a school facility which meets current educational specifications and operational goals.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. 6000, Program Planning, Budget Preparation, Adoption and Implementation Policy, provides the Board shall approve this item
- Other: _____

10. POLICY IMPLICATION

This Board Action requests a funding transfer from the BTA IV Program Contingency to the Magnolia Elementary School Renovation and Addition project budget. Per Board Policy No. 6000, Program Planning, Budget Preparation, Adoption, and Implementation, item number D, “Funds may be transferred from one budget classification to another subject to such restrictions as may be imposed by the Board.”

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on December 15, 2016. The Committee moved this item forward to the full board with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the District will be able to proceed with design of Magnolia Elementary School in conformance with the District Educational Specifications.

13. ATTACHMENTS

- Exhibit A – Detail of Additional Budget Requested for Magnolia Elementary School Renovation and Addition Project

Exhibit A – Detail of Additional Budget Requested for Magnolia Elementary School Renovation and Addition Project

Recap:

Estimated Budget at the end of Schematic Design	\$34,596,493
Original Estimated Budget at Levy Planning	\$28,716,949
Total Budget Transfer Request	\$ 5,879,544

Detail:

Additional renovations necessary to meet current Elementary Educational Specifications for an up-to-date facility	\$2,569,921
Energy conservation strategies (e.g. high efficiency boilers, added thermal insulation, mechanical heat recovery, LED lighting fixtures)	\$ 585,903
Site development and off-site improvements (e.g. new sanitary sewer, storm sewer and water connections, sidewalk and street improvements required by Seattle Dept. of Transportation and Seattle Public Utilities)	\$ 951,284
Additional construction sales tax and contingency	\$ 102,800
Architect's fees (increases due to construction cost increase)	\$ 335,000
Adjustments to Owner's soft costs (Curriculum, Supplies, Furniture, Fixtures and Equipment)	\$1,334,636
Total	\$5,879,544