

BEX/BTA Oversight Committee

Report to Board of Directors

Janet Donelson, Committee Chair

March 14, 2025

Background

1a. Public Committee Members

- Luis Adan Principal, Adan CM-Consulting LLC
- Monty Anderson Executive Secretary, Seattle Building & Construction Trades Council
- Janet Donelson Architect, Retired Real Estate Developer
- Jennifer DuHamel Architect, Principal, LMN Architects
- Sherry Edquid Project Manager, City of Tukwila Public Works
- Michael Fink Attorney, Retired from AG's UW Division (joined Dec. 2024)
- Duncan Griffin Architect, Managing Principal, HDR Architects
- Warren Johnson Director of Business Development, JTMConstruction
- Michelle Moore Program Manager, AECOM
- Lavina Sadhwani Associate Principal, Seneca Group
- Steve Tatge Architect, Assoc. VP, Asset Management, UW Facilities

1b. Board of Director Members

- Gina Topp
- Joe Mizrahi

President Topp and Director Mizrahi joined the Committee in February 2025.

2. Meetings

This report covers September 2024 through February 2025 meetings. The Committee meets monthly (except August), to review the planning and development status of projects that are part of the BEX and BTA Programs. We meet for two hours in person weather permitting, otherwise via Zoom.

3. Project Status Reports

The committee, rather than receive a review of each project at the meetings, discusses significant identified issues for particular projects. This focus allows us to spend the time to understand the critical issues and provide our input. Committee members do read the monthly status reports before the meeting and bring questions to the meeting.

4. Financial Reports

The committee reviews and comments on the monthly financial reports for active BEX and BTA Programs. These reports are distributed directly to the committee members.

5. Project Reviews

The Committee reviews and comments on any design presentations, typically given by the architect, project manager, most often the school's principal and the GC/CM contractor if they have been selected. Projects are reviewed at the conceptual and schematic design phases. We provide comments but do not approve or give direction on the design.

Meetings

September 13, 2024

Mr. Aliye Aliye reported on budgets for the BEX V and BTA V programs through July 31, 2024. The bulk of expenditures to date in BTA V has been for technology. He indicated expenditures are as anticipated and both programs are 'in the black' as revenues exceed expenditures to date. Staff expects to receive significant reimbursement for energy reduction items through the Federal Inflation Reduction Act (IRA) and is working with Energy Tax Savers to prepare submittals to receive funding.

Capital Projects staff reported on the status of and critical issues at various projects.

Asa Mercer Middle School Replacement - Discussions with the Veterans Administration Hospital (VA) regarding reimbursement for cost to relocate the hospital's fiberoptic cable remain open. The project will proceed with the work while funding discussions are underway.

Eckstein Middle School Window Replacement - This is the first project being done as GC/CM by the District's small projects team. Early procurement and mock-ups are key benefits to this procurement method.

John Rogers Elementary School Replacement - The concrete slab thickness issue has been resolved through testing and collaboration with the structural engineer and City of Seattle.

Conceptual design for Aki Kurose Middle School Replacement was presented by Integrus Architects, Lydig Construction, SOJ and the District team. The team described their enhanced community engagement process, and highlighted their intent to construct a building that will inspire students, support the school's diverse population, advance racial equity and meet District sustainability goals all while meeting the District educational specifications.

October 11, 2024

Ms. Melissa Coan reported on budgets for the BEX V and BTA V programs through August 31, 2024. Both programs are 'in the black'. Ms. Coan highlighted that currently the majority of Inflation Reduction Act (IRA) funds are earmarked for the Alki Elementary School Project. The committee suggested the District establish a "Green Revolving Fund" with a portion of the IRA funds to be used for new code requirements and similar costs in the future.

Capital Projects staff reported on the status of and critical issues at various projects.

Alki Elementary School Addition and Modernization - Due to the Master Use Permit (MUP) appeal, completion is likely delayed one full school year from the original schedule.

Subcontractor pricing is being updated and is currently expected to remain within the budget.

Asa Mercer Middle School Replacement - Staff indicated that the moisture risk to the cross-laminated timber (CLT) structure has passed. The Committee reviewed their and District's experiences with these moisture related issues and ways to mitigate them.

John Rogers Elementary School Replacement - Staff described the issue of the Seattle Public Utilities (SPU) stormwater 'sandbox' at the east end of the site. The team's goal is to mitigate the possibility of water overflow onto School surfaces.

Rainier Beach High School Replacement - Staff reported that unexpected slab settlement has occurred in the main gym. A subcommittee will review consultants reports, causes and potential solutions.

Ms. Becky Asencio and Mr. Best provided a brief update on the Well Resourced Schools work and the upcoming operating and capital levies. Along with technology funding, the three priorities of the BEX VI levy are security, meeting newly implemented energy and and emission codes and unreinforced masonry code. The Committee also discussed potential future meeting topics, upcoming openings in Committee membership and the responsibilities of the Committee Chair and Vice-Chair.

November 8, 2024

Mr. Aliye reported on budgets for the BEX V and BTA V programs through September 30, 2024. He indicated expenditures and revenues are as anticipated. The Committee inquired about the status of applications for funds from the IRA with the recent election results; and the impact of potential school closures on scheduled capital projects. Mr. Best indicated that design of Sacajawea Elementary School and multiple small projects are on-hold until decisions are made, but that the funds are currently 'fenced' for those uses.

Schematic Design for Memorial Stadium Replacement was presented by the development team including representatives from One Roof Foundation, SOJ, Generator Studio and Sellen Construction. The team discussed their community involvement efforts and their intent to celebrate students and create opportunities for education and new learning.

December 13, 2024

We welcomed Mr. Michael Fink to the Committee, replacing Ms. Robynne Thaxton. Mr. Fink brings considerable experience in capital projects for public institutions and private companies.

Ms. Coan reported on budgets for the BEX V and BTA V programs through October 31, 2024. She indicated that 71% of BEX V has been expended with 82% of the projected revenue received to date. 20% of BTA V has been expended.

Northgate Elementary, renamed James Baldwin Elementary, was awarded the 2024 national James D. MacConnell Award for excellence in school design. The team shared highlights of their work together, how they reimagined the School Design Advisory Team process and concluded that this was a special project that changed them and how they now approach other projects.

Capital Projects staff reported on the status of and critical issues at various projects.
Rainier Beach High School Replacement - Staff reported that a third-party independent consultant has been hired to assist in evaluating the slab settlement issue. Analysis is ongoing.

SPS staff and representatives from Perkins Coie and Alliant Insurance presented information about options for Performance/Payment Bonds, Master Builder's Risk, General Liability, Owner Controlled and Contractor Controlled Insurance. These insurance options continue to evolve as does the industry understanding of construction risks for various types of construction. Periodic reassessment of the options was recommended.

January 10, 2025

Ms. Coan provided a budget update on the BEX V and BTA V programs through November 30, 2024. Expenditures and revenues are as anticipated in both programs and both programs are 'in the black' although the program reserve for BEX V remains uncomfortably low relative to the size of the program. BEX V is 73% spent to date and BTA V is 21% spent. Ms. Coan also presented an overview of Fiscal Year 2023-2024 closeout.

Dr. Kurt Buttleman provided an overview of the Capital Fund Loan which was made to the Operating Fund to address budget destabilization for fiscal year 2024 related to the COVID epidemic. He confirmed that the state legislature specifically authorized this type of loan. Staff clarified that the funds came from BEX IV underspend and thus do not affect funding for current BEX V and BTA V projects. The Committee discussed impact of IRA funds, potential for changes in the District operating budget and future State funding.

Staff reported on the status of and critical issues at various projects with continued good progress. 4 major are Projects on track to open Summer 2025.

Ms. Asencio updated the Committee on the BEX VI and Operating Fund Levies to be presented to voters February 11, 2025. Assuming the capital levy passes staff will prepare an implementation plan (and schedule) for Committee review mid-2025.

February 14, 2025

The Committee welcomed two new Board members, President Gina Topp and Director Joe Mizrahi. We look forward to the opportunity for them to engage with the Committee and for them to have more visibility of the technical issues of the program going forward.

Ms. Asencio reported that the BEX VI Capital Levy passed with 74% approval. Staff will now prepare the 6-year implementation plan. Plan will be presented to this Committee prior to submission to the Board of Directors. Ms. Coan indicated financial reports for BEX VI will begin in about 1 year.

Ms. Coan provided a budget update on the BEX V and BTA V programs through December 31, 2024. BEX V is 75% spent and BTA V is 22% spent. Ms. Coan reported that \$7.9M in IRA funds have been received to date. The Committee and staff discussed concern about whether any additional funds from the IRA will be received in the future.

Staff provided an update on status of and critical issues at various projects.

Mercer Middle School - The District team will present lessons learned related to mass timber construction from the Mercer and Leschi projects at the May meeting.

Rainier Beach High School Replacement - Staff reported that, based on the recommendation of the third-party consultant and project engineer, the affected area will be repoured. Little additional settlement is anticipated.

Schematic Design for Aki Kurose Middle School Replacement was presented by Integrus Architects, Lydig Construction, SOJ and the District team. The team again emphasized their enhanced community engagement process and their focus on design that will deinstitutionalize the building, connect to nature, and meet District sustainability goals. The Committee praised the design and asked about costs, value engineering and potential tariff impacts and the timing for selection of mechanical & electrical subcontractors.

Ongoing Issue

With much higher-than-expected cost escalation in construction during the last three years, managing project costs and scope throughout these programs remains challenging. While the rate of escalation appears to have normalized in the last year base prices are considerably higher than expected during levy planning. The impact of potential tariffs further increases the difficulty of completing projects within their budget. The District is fortunate that previous BEX and BTA programs occurred during times with low escalation, and were well managed and stayed within their initial scope, allowing additional funds to be available to complete several of the larger BEX V projects.