

Item Title: Wake County Public School System CIP 2013 Reallocations and Appropriations (First Reading)

Specific Action Requested:

That the Board of Commissioners receives information from the Board of Education on requests for reallocations and appropriations in CIP 2013. If there are no outstanding questions, the Board of Commissioners will be asked to approve the following action items on July 5, 2016:

1. Reallocate a total of \$14,737,704 in CIP 2013 to three projects that bid over their budgets, two projects that are anticipated to need additional funding, and startup designs at four schools to be included in the next building program.
2. Appropriate a total of \$53,137,762 in CIP 2013 for construction at Apex Friendship Middle School, startup designs at four schools to be included in the next building program, preliminary site work preparation at E-45, and modifications to Green Level High to accommodate Apex High's vocational programs while it serves as the Apex High swing space.

Item Summary:

Overview

The Board of Education is requesting that funds be reallocated and appropriated as follows:

Continued on next page						
	Plan of Record/Budget			Appropriations		
	<u>Current</u>	<u>Reallocation</u>	<u>Proposed</u>	<u>Current</u>	<u>Appropriation</u>	<u>Proposed</u>
	2013 Building Program					
New School Projects						
E-24 New Elementary - Next Program (N. Raleigh- SA)*	-	2,000,000	2,000,000		2,000,000	2,000,000
E-31 Bryan Road Elementary (South Garner, 2017- SA)*	26,007,414	(1,642,159)	24,365,255	26,007,414	(1,642,159)	24,365,255
E-33 Hortons Creek Elementary (NW Cary, 2017- SA)*	25,429,448	1,331,536	26,760,984	25,429,448	1,331,536	26,760,984
E-40 Rogers Lane Elementary (E. Raleigh, 2017- SA)*	25,883,260	(900,000)	24,983,260	25,883,260	(900,000)	24,983,260
E-45 Elementary* (Fuquay-Varina - SA)	3,050,000		3,050,000	1,050,000	750,000	1,800,000
E-50 New Elementary - Next Program (RTP/Morrisville- SA)*	-	2,000,000	2,000,000		2,000,000	2,000,000
M-11 Apex Friendship (Apex, 2018- SA)*	47,787,762	3,100,000	50,887,762	2,000,000	48,887,762	50,887,762
M-13 River Bend (N. Raleigh/401-540, 2017 - SA)*	43,482,842	(2,688,995)	40,793,847	43,482,842	(2,688,995)	40,793,847
Public Infrastructure	38,856,456	2,952,633	41,809,089	38,856,456	2,952,633	41,809,089

SA indicates Site Acquired

*Budget Excludes Land Acquisition, Public Infrastructure. That work is reported in those line items.

**E-46 was replaced by E-45 in July 2015 due to the possibility of acquiring a site for E-45 sooner.

	Plan of Record/Budget			Appropriations		
	<u>Current</u>	<u>Reallocation</u>	<u>Proposed</u>	<u>Current</u>	<u>Appropriation</u>	<u>Proposed</u>
2013 Building Program						
Existing School Projects	-		-	-		-
Lincoln Heights Elem (2018)*	24,575,632	953,535	25,529,167	24,575,632	953,535	25,529,167
Brooks Elem (2017)*	23,055,617	800,000	23,855,617	23,055,617	800,000	23,855,617
Rolesville Elem (2017)*	21,158,731	(689,528)	20,469,203	21,158,731	(689,528)	20,469,203
Garner High (2018)*	74,363,467	(3,217,022)	71,146,445	74,363,467	(3,217,022)	71,146,445
Apex High (2019)*	7,785,445	200,000	7,985,445	2,700,000	1,200,000	3,900,000
Wiley Elem* - Next Program		1,400,000	1,400,000		1,400,000	1,400,000
Other Projects						
Startup Designs	15,077,677	(5,600,000)	9,477,677	-		-
Total Reallocation/Appropriation	376,513,751	-	376,513,751	308,562,867	53,137,762	361,700,629
SA indicates Site Acquired						
*Budget Excludes Land Acquisition, Public Infrastructure. That work is reported in those line items.						
**E-46 was replaced by E-45 in July 2015 due to the possibility of acquiring a site for E-45 sooner.						

New Construction

The item appropriates \$48.9 million for construction of Apex Friendship Middle School (M-11). The middle school site is adjacent to Apex Friendship High School on Humie Olive Road in Apex. The appropriation includes \$45.8 million in the project's current budget, plus an additional \$3.1 million that is being reallocated to the project as part of this item to cover the anticipated bid amount over the project's budgeted amount. The overage is due to the addition of 20,000 square feet of collaborative space. The project is scheduled to bid this summer and open for student occupancy in August 2018.

Startup Design Funds

A total of \$5.6 million in startup design funds would be reallocated and appropriated across four different projects to be included in the next building program. This includes \$4 million in initial startup design funds for two new elementary schools: E-24 in North Raleigh and E-50 in Morrisville (Research Triangle Park). Additional startup design funds totaling \$200,000 are needed for the Apex High renovation. Initial startup design funds totaling \$1.4 million are included for the renovation of Wiley Elementary School in Raleigh. Apex and Wiley are scheduled to bid in 2017 and 2018, respectively.

Green Level High Modifications

A \$1.0 million appropriation in the Apex High renovation project will fund modifications to Green Level High (H-7), the planned swing space for the Apex High renovation. The modifications will allow Green Level to accommodate the automotive, carpentry, and culinary programs from Apex High for the two years Apex will be using Green Level High. The appropriation would cover mechanical, electrical and structural modifications to classrooms, as well as the transfer of portable equipment from Apex to Green Level. It also includes some funds for new equipment. When the renovated Apex High opens back up for student occupancy, Green Level will be restored to its original condition where possible. Any equipment associated with the vocational programs would be moved back to Apex High upon completion of the renovation. The item includes funding for any modifications and equipment transfers before and after the completion of the

Apex High renovation. Any unused funds will remain in the Apex High project budget for completion of that project.

E-45 Sitework

The item also includes a \$750,000 appropriation to fund early sitework preparation at a new elementary school in Holly Springs (E-45). Due to the high water table at the site, it is scheduled to be drained in fall 2016.

Reallocations

The item reallocates \$9.1 million from five projects that bid under budget to three projects that recently bid over budget and two projects anticipated to need additional funding. This is summarized in the table below:

Reallocate From	Amount	Reallocate To	Amount
River Bend Middle	\$ 2,688,995	Lincoln Heights Elementary*	\$ 953,535
Bryan Road Elementary	1,642,159	Hortons Creek Elementary*	1,331,536
Rogers Lane Elementary	900,000	Brooks Elementary*	800,000
Rolesville Elementary	689,528	Apex Friendship Middle**	3,100,000
Garner High	3,217,022	Public Infrastructure**	2,952,633
Subtotal	\$ 9,137,704	Subtotal	\$ 9,137,704
*Project recently bid over budget			
**Project anticipated to need additional funding			

A \$3.1 million reallocation and appropriation is included to cover the overage for Apex Friendship Middle due to the addition of collaborative space. The \$2.9 million included for public infrastructure would cover additional public infrastructure costs at four schools in CIP 2013 and initial design for public infrastructure for projects in the next building program.

Lincoln Heights, Hortons Creek, and Brooks Elementary schools all recently bid over budget, largely due to market escalation. On February 15, 2016, the Board of Commissioners approved a reallocation of contingency funds for these projects to cover *anticipated* bid amounts in excess of the project budgets at that time. With the exception of \$300,000 in collaborative space for Brooks, the anticipated overages covered in that item were due to market escalation. The funds included in this item reflect the *actual* bid amounts and are in addition to the contingency funds that were appropriated in February. The table below shows the evolution of these project budgets over time:

Project	Original Budget	Approved Reallocations			Current Item	Total Proposed
		7/6/2015	1/19/2016	2/15/2016	7/5/2016	
Lincoln Heights Elementary	21,657,244		918,388**	2,000,000*	953,535	25,529,167
Hortons Creek Elementary	22,370,069	1,951,678*		1,107,701*	1,331,536	26,760,984
Brooks Elementary	21,391,080			1,664,537*	800,000	23,855,617
*Primary driver was market escalation						
**Primary driver was additional collaborative space						

Staff Comments

The appropriation from CIP 2013 funds is planned per the agreed upon program. While some projects are bidding over budget due to market escalation and the addition of collaborative space, WCPSS is able to cover these overages with savings from other projects. As attention turns to the next building program, the Joint Facilities Core team will continue to monitor bids for the remaining projects in CIP 2013 and evaluate their individual effects on the overall program budget.

History of CIP 2013

On October 8, 2013, Wake County citizens approved the authorization of \$810 million of general obligation bonds for the Wake County Public School System 2013 Capital Improvement Program. On October 21, 2013, the Board adopted the resolution declaring the results of the October 8, 2013 bond referendum. These bonds, plus cash appropriations, fund the WCPSS CIP 2013 Building Program. On November 18, 2013, the Board of Commissioners was asked to approve the original CIP 2013 Plan of Record, which consisted of \$43,800,000 from existing County funding, and \$939,954,793 in future funding for a total program amount of \$983,754,793. On June 16, 2014 the Board approved a Plan of Record increase in the amount of \$6,799,974 as a result of proceeds of the sale of the 3600 Wake Forest Road Site. On July 6, 2015 the Board approved a \$775,000 increase to the Plan of Record to reflect a reallocation of \$775,000 in CIP 2006 savings to CIP 2013. The Board approved a \$2.6 million increase to the Plan of Record on October 19, 2015 as part of another reallocation of savings from CIP 2006 to CIP 2013. On February 15, 2016 the Board increased the Plan of Record by \$4,454,720 to reflect proceeds from the sale of the original H-6 site (CIP 2006). The Plan of Record currently totals \$998,384,487.

The Capital Improvement Program contemplates commitments through fiscal year 2017. It provides for construction of fifteen new schools: ten new elementary schools, three middle schools and two high schools. Additionally, the plan includes funds for five major renovations, start-up construction costs at five other schools, life cycle equipment replacement, educational equipment replacement, technology and security, land acquisition and start-up design for new schools, facilities assessments and program management and contingency. To date, \$822.5 million has been appropriated, two new schools have been completed and six new schools and one renovation will be completed in summer 2016. Five new and four major renovations are in the construction phase. One new school will bid in summer 2016 and one new school will bid in spring 2017.

CIP 2013 originally included funds for eleven new elementary schools, three new middle schools, two new high schools, six major renovations and startup renovation costs for three schools. On July 6, 2015 the Board of Commissioners approved the Board of Education's request for several changes to the program. Two projects were deferred to the next building program. The construction of a new elementary school in Holly Springs (E-46) was deferred due to site identification difficulties, and a major renovation at Vandora Springs Elementary was deferred due to swing space timing needs.

Attachments:

1. Presentation
2. BOC Resolution to Reallocate and Appropriate Funds in CIP 2013
3. CIP 2013 Appropriation Summary as of July 5, 2016
4. Board of Education Resolution Requesting CIP 2013 Reallocations and Appropriations