



*Stephanie
Rawlings-Blake
Mayor*

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman

STAFF REPORT



*Thomas J. Stosur
Director*

October 6, 2016

REQUEST: Baltimore City Public Schools (City Schools) Capital Improvement Program Fiscal Years 2018-2023

RECOMMENDATION: Approval

STAFF: Kristen Ahearn

PETITIONER: Baltimore City Public Schools (City Schools)

BACKGROUND/HISTORY

The Regulations for the Administration of the Public School Construction Program (COMAR 23.03.02) administered by the Interagency Committee on School Construction (IAC), require that City Schools annually submit an updated and detailed Capital Improvement Program (CIP) for the upcoming fiscal year and anticipated project request for five fiscal years to the State Public School Construction Program. The initial submission by City Schools is due October 5, 2016, and any amendments or appeals must be submitted by November 28, 2016 as a condition for receiving State School Construction Funds.

Prior to submission, City Schools must obtain approval of this program by the appropriate local governing body. A review process is necessary by the City Schools' Board of School Commissioners, Baltimore City Planning Commission, Board of Finance, and the Board of Estimates to serve as the means by which the Mayor's Office will support and endorse such a program.

The City Schools' CIP illustrates the major construction project requests which include major renovation and replacement projects, as well as systemic improvement projects such as roofs, boilers, window & door replacements, and fire and safety projects.

On October 8, 2015, the Planning Commission approved the Baltimore City Public Schools' Capital Improvement Program for FY 2017-2022 CIP for \$537 million (\$102 million in City General Obligation Bonds and \$435 million in State funds) over the six-year program.

CONFORMITY TO PLANS

To comply with loan authorization, if approved by voters on the November 8, 2016 ballot, the amount of City General Obligation Bond funding available for City Schools' FY 2018 School Construction Program will be \$17,000,000.

ANALYSIS

This year's CIP submission reflects a commitment to continue to invest in three major facility upgrades as well as continuing ongoing capital improvement projects and remedying the history of deferred maintenance in city schools.

The total request for FY 2018 is \$96,608,000 of which \$17,000,000 is City funds and \$79,608,000 is a request for state funds. The state typically only provides \$30-35 million in funding.

In November 2012, Baltimore City Public Schools released a \$2.413 billion plan to renovate or replace buildings to eliminate deficiencies and to provide 21st century technology in the buildings over 10 years. The plan—*21st-Century Buildings for Our Kids: Baltimore City Public Schools' Proposed 10-Year Plan Recommendations*—represents both a critical next stage in the transformation of City Schools and the single largest public investment ever in Baltimore City's children.

The plan includes the following provisions:

- Renovating or replacing 136 school buildings
- Vacating 26 school buildings over 10 years
- Reducing the size of the district's school buildings portfolio from 163 to 137 school campuses

In the 2013 General Assembly, House Bill 860 was passed, which will result in approximately \$977 million in new and modernized school buildings. House Bill 860 provides an innovative approach to school construction, with multiple funding streams coming together to raise additional dollars through the sale of bonds. Under the legislation, the Maryland Stadium Authority (MSA) will oversee the financing of the Buildings Plan and partner with City Schools to carry out the actual building renovations and replacements. The MSA will receive \$60 million a year, which it will, in turn, use to leverage additional funds to support construction costs. The money will come in equal amounts from three different sources:

- The State of Maryland will contribute \$20 million in state lottery proceeds.
- The City of Baltimore will contribute \$20 million a year:
 - \$10 million in beverage container tax and table gaming proceeds
 - \$10 million a year in education funds received as a result of city payments of school retiree health costs.
- Baltimore City Public Schools will contribute \$20 million, a combination of funds it currently budgets for building maintenance and cost savings that will be generated by efficiencies in the newly renovated buildings.

The funding will be phased and reach \$60 million annually. The combined \$60 million per year will be used to raise approximately \$977 million in construction funds through the sale of several issuances of bonds, and to pay back bond debt. It is expected that this investment will allow for the renewal of 23 to 28 buildings identified for renovation or replacement in the first phase of the Building Plan, which represents 20% of City Schools' facilities.

The district has entered into a four-way Memorandum of Understanding with the City of Baltimore, the Interagency Committee on School Construction (IAC) and the Maryland Stadium Authority that lays out the roles and responsibilities of each of the parties involved in funding and implementing the Building Plan. Amendments are made to the Plan annually during a portfolio review process that is presented to the School Board of Commissioners in November and approved in December. Construction for Year 1 schools identified in the Plan began in the 2015-2016 school year.

The projects being funded through this funding stream are not part of City Schools' annual CIP submission to the City and the State. The 21st Century Buildings Plan is a one-time capital initiative using funding outside of the regular CIP allocation, while the annual CIP covers more routine maintenance and renovation projects and larger projects that were initiated before the Plan was in place. The State CIP submission is for state school construction funds, with City General Obligation bonds as matching funds. The FY 2018 submission includes two major construction projects initiated prior to the 21st Century Building Initiative, a renovation/expansion of a school with severe overcrowding, 36 systemic projects, Qualified Zone Academy Bond (QZAB) projects, and programmatic space upgrades. A full list of projects included in CIP submission is attached (Baltimore City Schools Form 102.4).

Below is a summary of the projects included in the FY 2018 CIP:

Graceland Park-O'Donnell Heights PK-8 #240 – The request is for replacement of the existing school building. The school is a very successful PK-8 program in the Graceland Park-O'Donnell Heights area of southeast Baltimore. Graceland Park is presently over-subscribed, and its enrollment is slated to continue growing, as the surrounding neighborhood is experiencing a surge of immigrant population. Additionally, the City's Housing Department is planning to develop a new residential community immediately adjacent to the school. Presently, plans call for approximately 900 new housing units to be built in phases over a seven-year period. Anticipated student yield of the new homes is expected to put additional demand on PK-8 seats at this school as well as the neighboring Holabird Academy #229 school. The projected cost of the replacement is \$31 million. This project is currently in the design phase, with construction expected to begin in the summer of 2017.

Holabird PK-8 #229 – The request is for replacement of the existing school building. The project would also include demolition of an 8,340-square foot modular unit that is in poor condition. The school is a very successful PK-8 program in the Graceland Park-O'Donnell Heights area of southeast Baltimore. Holabird Academy is presently over-subscribed, and its enrollment is slated to continue growing, as the surrounding neighborhood is experiencing a surge of immigrant population. Additionally, the City's Housing Department is planning to develop a new residential community immediately adjacent to the school. Presently, plans call for approximately 900 new housing units to be built in phases over a seven-year period. Anticipated student yield of the new homes is expected to put additional demand on PK-8 seats at this school as well as the neighboring Graceland Park-O'Donnell Heights #240 school. The projected cost of the replacement is \$31.5 million. This project is currently in the design phase, with construction expected to begin in the summer of 2017.

Armistead Gardens #243 - This request is to renovate and add an addition to the existing Armistead PK-8 #243 building that is outdated, over-crowded, and in poor condition. The utilization rate is currently 183%, which means enrollment is nearly double the capacity of

the building. The building was built in 1951, at 63,105 sq ft. The complete building renovation will provide a modern, state of the art, 21st century educational environment for the PK to 8th grade students. City Schools completed a feasibility study for the renovation in summer 2016. The design process is scheduled to begin in Fall 2017, with construction beginning in 2019 and ending in 2021.

Systemic – The request is for 36 systemic projects at schools. The improvements are fire safety, HVAC systems, elevators, roofs and other urgent needs. In recent years, the State has been partially funding systemic projects. The City Schools request includes projects that were partially funded in previous years, as well as new projects, with priority given to the projects that were partially funded in the past. Because the amount of funding likely to be allocated is less than the total request, it is likely that most of the funding will go to projects that were already partially funded in previous years. A complete list of these projects is included in Form 102.4 (attached).

OZAB Projects – The City can apply to the State for interest-free bond funding through the federal Qualified Zone Academy Bond program. The funds have been used to renovate school libraries and media centers in partnership with private foundations. Local funding allows these projects to be completed.

Programmatic Space Upgrades – The request is for local funding to support academic initiatives that impact facilities, such as early learning expansions.

Replacement of schools in the O'Donnell Heights area supports Baltimore Housing's redevelopment of the area, which is a City priority.

In total, this FY 2018-2023 CIP is a request for approximately \$472 Million (\$102 million in City General Obligation Bonds and \$370 million in State funds) over the six-year program, as illustrated in the attached tables. The request is slightly lower than the FY 2017-2022 request, but well above historical funding levels.

The FY 2018 CIP received its first approval by the School Board on September 27, 2016.

Planning Staff supports new investment to upgrade schools and the continued emphasis on systemic improvements and recommends approval of the FY 2018-2023 City Schools capital improvement program.



**Thomas J. Stosur,
Director**

SUM

LEA: Baltimore City Public Schools

FISCAL YEAR: 2018

DATE: September 20, 2016

Priority No.	Previous FY 17 Priority No.	Assoc. FY18 Priority No.'s	21st Century Plan year	PROJECT TITLE	TOTAL EST. COST	NON-PSCP FUNDS	TOTAL STATE FUNDS	PRIOR PSCP FUNDS	CURRENT REQUESTS (\$ OR LP)	EXPECTED FIVE-YEAR PROGRAM REQUESTS (2019-2023)				
										FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
										(enter fiscal year below)				
1			0	Holabird EM #229_Replacement	\$31,506	\$5,105	\$25,401	\$2,700	\$7,110	\$13,036	\$3,555			
2			0	Graceland Park/O'Donnell Heights EM #240_Replacement	\$31,277	\$10,052	\$21,225	\$2,700	\$5,558	\$10,169	\$2,779			
3			5	Armatoad Gardens EM #243_Renovation/Addition	\$42,588	\$9,157	\$33,431	\$0	LP	\$13,372	\$10,029			
4			6	Roland Park EM #233_HVAC_phase 3	\$5,000	\$1,000	\$4,000	\$3,694	\$306					
5			6	The Historic Samuel Colendge-Taylor E.#122_HVAC_phase 3	\$7,500	\$1,500	\$6,000	\$3,951	\$2,049					
6			6	Garrett Heights EM #212_HVAC_phase 3	\$4,200	\$840	\$3,360	\$3,110	\$250					
7		9, 34	6	City College H.#480_SR: Pool_phase 2	\$1,175	\$235	\$940	\$700	\$240					
8			3	Booker T. Washington Bldg.#130_Roof_phase 2	\$4,903	\$981	\$3,922	\$723	\$3,198					
9		7, 34	6	City College H.#480_Roof_phase 2	\$3,274	\$655	\$2,619	\$1,722	\$897					
10			6	North Bend EM.#81_HVAC/Fire Safety_phase 2	\$2,200	\$440	\$1,760	\$600	\$1,160					
11			8	Brehms Lane E.#231_Roof_phase 2	\$3,400	\$680	\$2,720	\$200	\$2,520					
12			4	Benjamin Franklin H.#239_Roof_phase 2	\$2,962	\$592	\$2,370	\$800	\$1,570					
13			4	Edmondson H.#400_Roof_phase 2	\$3,200	\$640	\$2,560	\$900	\$1,660					
14			3	Lakewood ELC.#86_Roof_phase 2	\$518	\$104	\$414	\$200	\$214					
15			6	Hampstead Hill Academy EM.#47_Roof_phase 2	\$1,337	\$267	\$1,070	\$200	\$870					
16			3	Dallas F. Nicholas, Sr. E.#39_HVAC_phase 2	\$660	\$132	\$528	\$400	\$128					
17			6	The Mount Washington School EM.#221_Fire Safety_phase 2	\$1,750	\$350	\$1,400	\$1,000	\$400					
18		20	3	Harlem Park EM.#35_HVAC_phase 2	\$1,500	\$300	\$1,200	\$200	\$1,000					
19			9	Western H.#407_Roof_phase 2	\$2,350	\$470	\$1,880	\$700	\$1,180					
20		16	3	Harlem Park EM.#35_HVAC_phase 2	\$4,600	\$1,020	\$3,580	\$1,790	\$1,790					
21		28	4	Furley E.#206_Roof / Structure	\$4,500	\$998	\$3,502	\$3,502	\$3,502					
22			6	Franklin Square EM.#95_HVAC/Windows & Doors	\$6,935	\$1,538	\$5,397	\$5,397	\$2,698					
23			7	Commodore John Rodgers EM.#27_Fire Safety/Sprinkler	\$1,768	\$392	\$1,376	\$1,376	\$1,376					
24	45 and 16		4	Collington Square EM.#97_Fire Safety/Sprinkler	\$1,082	\$240	\$842	\$842	\$842					
25	18		4	Curtis Bay EM.#207_HVAC/Roof	\$6,216	\$1,379	\$4,837	\$4,837	\$4,837					
26	14		9	Eutaw-Marshburn E.#11_HVAC	\$6,200	\$1,375	\$4,825	\$4,825	\$4,825					
27	17	27	3	Eutaw-Marshburn E.#11_Fire Alarms	\$1,490	\$331	\$1,160	\$1,160	\$1,160					
28	31	26	3	Furley E.#206_HVAC	\$2,900	\$643	\$2,257	\$2,257	\$1,128					
29	39	21	4	James McHenry EM.#10_Windows	\$751	\$167	\$585	\$585	\$585					
30	26		6	Hazelwood EM.#210_Roof	\$1,164	\$258	\$906	\$906	\$906					
31	26		8	Callaway E.#251_HVAC	\$5,178	\$1,148	\$4,030	\$4,030	\$2,015					
32	30		4	Furman L. Templeton E.#125_Roof	\$1,500	\$333	\$1,167	\$1,167	\$1,167					
33	0		9	Federal Hill E.#45_Structural/Roof	\$1,952	\$433	\$1,519	\$1,519	\$1,519					
34	0	7, 9	4	City College H.#480_Windows/Stone, Masonry, and Structural work	\$12,679	\$2,812	\$9,867	\$9,867	\$4,933					
35	0		4	George Washington E.#22_HVAC(universities)/Roof/Windows & doors	\$3,742	\$530	\$2,912	\$2,912	\$2,912					
36	0		10	Gilmor E.#107_Roof/HVAC/Windows&doors	\$6,130	\$1,360	\$4,771	\$4,771	\$4,771					
37	0		3	Coldstream EM.#31_Roof/Windows & Doors	\$7,364	\$1,636	\$5,746	\$5,746	\$5,746					
38	0		8	Highlandtown #215.#215_Structural & Windows	\$1,150	\$255	\$895	\$895	\$895					
39	0		9	Chinnaspin Bldg.#46_Roof	\$2,173	\$482	\$1,691	\$1,691	\$1,691					

SUM
LEA:

Baltimore City Public Schools

FISCAL YEAR: 2018

2018

DATE: September 20, 2016

Priority No.	Previous FY 17 Priority No.	Assoc. FY18 Priority No.	21st Century Plan year	PROJECT TITLE	TOTAL EST. COST	NON-PSCP FUNDS	TOTAL STATE FUNDS	PRIOR PSCP FUNDS	CURRENT REQUESTS (\$ OR LP)	EXPECTED FIVE-YEAR PROGRAM REQUESTS (2018-2023)										
										FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023					
SUB-TOTAL OF FYs 2018-2023 TOTAL FY 2018 REQUEST											\$230,795	\$51,132	\$179,662	\$24,500	\$79,608	\$-19,162	\$16,363	\$10,029	\$0	\$0
Anticipated Projects: FY 2019 (Preliminary)																				
				Major Projects																
				Systemic Improvements																
SUB-TOTAL OF FYs 2018-2023 TOTAL FY 2019 REQUEST																				
Anticipated Projects: FY 2020 (Preliminary)																				
				Major Projects																
				Systemic Improvements																
SUB-TOTAL OF FYs 2018-2023 TOTAL FY 2020 REQUEST																				
Anticipated Projects: FY 2021 (Preliminary)																				
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Anticipated Projects: FY 2023 (Preliminary)																				
				Major Projects																
				Systemic Improvements																
SUB-TOTAL OF FYs 2018-2023 TOTAL FY 2023 REQUEST																				
TOTAL: FYs 2018-2023 (Last page only)											\$230,795	\$51,132	\$179,662	\$24,500	\$79,608	\$71,978	\$62,787	\$52,722	\$49,751	\$53,078

FY 2018-2023 CAPITAL IMPROVEMENT PROGRAM
BALTIMORE CITY PUBLIC SCHOOLS
September 21, 2016

BALTIMORE CITY PUBLIC SCHOOLS PROPOSED FY 2018-2023 CIP	FY 2018			FY 2019			FY 2020			FY 2021			FY 2022			FY 2023			Total
	State	Local	Federal	State	Local	Federal	State	Local	Federal	State	Local	Federal	State	Local	Federal	State	Local	Federal	
Systemic Renovations	86,940	11,900	0	35,381	10,900	0	46,424	10,900	0	42,893	14,650	0	49,751	15,766	0	53,078	16,900	0	373,583
Graceland Park PK-8 Replacement	5,658	2,000	0	10,189	2,000	0	2,779	2,000	0	0	0	0	0	0	0	0	0	0	24,526
Holebird PK-8 Replacement	7,110	2,000	0	13,036	2,000	0	3,565	2,000	0	0	0	0	0	0	0	0	0	0	29,701
Armistead Gardens PK-8	0	0	0	13,372	1,000	0	10,029	1,100	0	10,029	1,250	0	0	734	0	0	0	0	23,142
QZAB Projects	0	600	0	0	600	0	0	600	0	0	600	0	0	600	0	0	600	0	3,600
Programmatic Space Upgrades	0	500	0	0	500	0	0	500	0	0	500	0	0	500	0	0	500	0	3,000
Totals	79,608	17,000	0	71,978	17,000	0	62,787	17,000	0	52,722	17,000	0	49,751	17,000	0	53,078	17,000	0	471,924

Total Local: 102,000
Total State: 369,924
Total Federal: None

QZAB (Qualified Zone Academy Bonds) Projects: The Qualified Zone Academy Bond (QZAB) Program is authorized by the federal government and allows the State of Maryland to sell bonds and allocate the proceeds to public school systems for capital improvements at eligible public school facilities. The funds have been used to renovate school libraries and media centers in partnership with private foundations. Local funding allows these projects to be completed.

Programmatic Space Upgrades: The funds allocated for programmatic space upgrades will provide local funding to support academic initiatives that impact facilities. One example could be if a program were to be relocated to a different space to better support the program and/or to better utilize the facilities in the portfolio, the receiving facility may need some modifications or improvements to support that program. As an additional example, various academic missions to improve the educational programs in the schools, such as expanding the early learning programs, have a facility impact. Types of programs which may be considered for this could be early learning expansions, alternative program expansions, etc.

Note: Numbers are in thousands