



July 29, 2024

Dear Stamford Community,

It's an exciting time for Stamford Public Schools and the City of Stamford, as we embark on the largest investment in our school facilities in our city's history. Beginning in 2020, officials from the City of Stamford, Stamford Public Schools, the Board of Education, Board of Finance, Board of Representatives, and community members have been part of the Long-Term Facilities Planning Committee to develop a comprehensive plan for addressing the capital, repair, and maintenance needs of Stamford's aging school buildings. This effort culminated in the publication of the district's [Long-Term Facilities Plan](#) which was published in 2022.

The largest projects developed in the first phase of this Plan include the rebuilding of Westhill High School, the construction of the new Roxbury K-8 School, and the Upper and Lower South School. Working in partnership with Stamford's state legislative delegation, Stamford was able to increase the state funding reimbursement for these projects, making the feasibility of building three new schools over the next several years a possibility. Based on current estimates, we anticipate \$400-500 million in state-aid supporting the school building program.

Since then, the state of Connecticut has approved applications for Westhill High School, the Roxbury K-8 School, and the K-8 South School, which will be located at two campuses. Additionally, in partnership with Stamford Public Schools, the City of Stamford has embarked on dozens of capital improvement projects at schools across the district.

We intend to move forward on this unprecedented pursuit of upgrading our school buildings, with the vision that all Stamford students, teachers, and administrators have state-of-the-art facilities that are a source of pride and provide a safe and healthy learning environment.

Despite substantial state support that allows the feasibility of these projects, there remains funding obligations required by Stamford taxpayers. With that in mind, as we pursue this unprecedented school building program, fiscal responsibility remains a priority. The following information provides a detailed update on the progress made to date and the decisions that need to be made in the future. In the coming months, there will be opportunities for community engagement, and we look forward to working collaboratively with the Board of Education, Board of Finance and Board of Representatives to meet our vision of these projects.

In the meantime, for more information about the school project updates and additional information, please visit www.spsbuilds.com. We hope you enjoy the rest of your summer.

Sincerely,

Caroline Simmons, Mayor, City of Stamford

Dr. Tamu Lucero, Superintendent, SPS

Background

In 2020, Stamford Public Schools began working with a consultant team to develop a comprehensive Long-Term Facilities Plan. An Educational Facility Assessment and Demographic Study was conducted to evaluate the physical condition of all existing school facilities, investigate and assess viability of alternate land buildings, and project a 10-year timeline. The Plan was completed in 2022 and the first phase of the proposed plan includes rebuilding Westhill High School, the construction of a new Roxbury K-8 School, a K-8 South School, as well as immediate maintenance, electrical, and smaller capital projects across the school district.

On June 29th, 2023, the State of Connecticut Office of Grants Administration awarded the City of Stamford a grant for the construction of a new Westhill High School. The application was approved with \$240 million in grants – an 80 percent reimbursement – for a project budget of \$301 million dollars.

In October 2023, the Project Planning Committee was formed consisting of city officials and leadership from the Board of Education, Board of Finance, Board of Representatives, and community members. The Committee provides guidance and oversight to the school building program.

In June 2024, the project architect and construction manager updated the cost estimates for the new Westhill High School to range between \$425 - \$461 million dollars of total project cost. The range varies based on pending decisions related to the final design.

Construction costs now exceed \$301 million. A revised funding model has been designed that we believe is feasible to implement including Westhill, Roxbury, South School, and ongoing smaller capital projects.

It is important to note that the cost estimates are not final values and there are opportunities to make targeted reductions. Based on estimates received for Westhill High School, the project team has determined that the authorization for Roxbury will increase from its original grant submission. This has been accounted for in their financial modeling, and the next step in the process requires Board approvals for the design of the Roxbury School and South School.

Industry Trends for School Construction Projects

In response to the budget exceedance reported in both the original Schematic Design estimate and the re-design estimate, the consultant team further reviewed industry-wide data to confirm if the projected costs for Westhill were attributed to industry trends. Key data from the Massachusetts School Building Authority (MSBA) Database of school construction suggested that escalation has continued to increase in an unprecedented fashion since the pandemic. While new school construction costs in 2021 ranged from approximately \$350/sf to \$750/sf, current projections for 2026 construction range from approximately \$700/sf to over \$950/sf. This increase in escalation is non-linear, making budget development the past several years difficult.

Additionally, insights gleaned from the MSBA data show a reduction in viability for renovation projects. In contrast to the early 2010's - when renovation projects yielded a \$50/sf - \$100/sf savings over new construction - recent projects have shown renovation projects to be near parity to new construction (and in some cases, more expensive than new construction). The savings historically seen for renovating building rather than building new appears to have been largely eroded with the advent of modern mechanical systems and more stringent building/energy code requirements that make it challenging to retrofit mechanical systems. Additionally, increased focus on demolition, hazardous materials abatement, and environmental/safety standards would put pressure on the cost-effectiveness of keeping existing structures and systems.

Comparable School Construction Projects in the Northeast

Similar to data provided by the MSBA database, additional recent projects were reviewed to determine how those project costs might compare to Westhill. To review similar high school projects, the ongoing Norwalk High School (Norwalk, CT) and Doherty High School (Worcester, MA) projects were reviewed. After adjustments to construction costs to better align the scopes and schedules to the Westhill project (e.g. increased escalation to reflect a later Westhill start, increasing hazardous materials abatement to better align with Westhill's scope), both the Norwalk and Doherty HS projects resulted in construction costs at approximately \$820/sf, compared with the approximate \$900/sf projected for Westhill. Similarly, design estimates for Greenwich Middle School (Greenwich, CT) projected a construction cost of approximately \$840/sf when escalation was added to align with the Westhill project schedule. Projects on the CT state grant priority list in both Hartford and Stamford's South Schools indicate that construction costs between \$700-\$850/sf are projected. While perfect comparisons are not possible – for example, the Westhill site has existing spatial challenges, and the project is projecting the inclusion of geothermal well costs for both sustainable and lifecycle cost benefits – the project comparison illustrates the overall local trends in the school construction market.

Funding Model

The City of Stamford intends to fund the local share of the school construction projects described here with a combination of tax-exempt bonds issued by the City and funds from a special cash reserve established by the Board of Finance and Board of Representatives in 2022. This reserve serves two important purposes. First, it ensures that the City has cash on hand to pay construction bills while we await our state reimbursements. Second, it will reduce the amount of debt we must ultimately take on, which will reduce future budgets and debt levels.

So far, the City has set aside \$50 million over the last three budgets for School Construction. The City proposes that we continue to set aside more, up to \$120 million by 2029. This will reduce the amount we need to borrow between now and 2032 to \$188 million for the projects in the plan, down from \$263 million if we stop setting money aside now. The State contribution is expected to be \$555 million.

The bonds the City will issue will carry very low interest rates. Even with today's higher interest rates, municipal bonds require interest under 3.5% for Triple-A rated communities like Stamford. Stamford's bonds are typically repaid over 20 years.

The foresight of the Board of Finance and Board of Representatives to establish a special capital reserve fund not only strengthens our Triple A bond rating, but it helps complete the extensive list of school projects to ensure we are investing in our school infrastructure for the next generation. Additionally, we are confident that these costs will not hinder our ability to fund other priority capital projects, such as investing in our road and sidewalk infrastructure, parks, and public safety facilities.

For additional information on these projects, visit www.spsbuilds.com.

Impact on Taxpayers

The impact of the school plan on taxes will be minimal. The increased debt service will be more than offset by declining debt service for all the City's older bonds, so the City's total debt service will remain stable through 2032, when it will resume its decline. Since 2022, the City has also been setting aside between \$10 million and \$20 million and under this funding model the City will continue that effort for four more years. After that, the City will see a tax reduction once funds are no longer set aside for our future capital program.

High-quality public school facilities are not only important for educational outcomes, but they also positively impact property values. If the new schools in the school building plan are not built, the City and Board of Education will need to invest more in operating costs, maintenance, and various renovation projects to maintain satisfactory school facilities.

Maintaining the special reserve for school construction at the recommended level or greater is necessary to reduce our debt needs and key to keeping long-term impacts on taxpayers low.

Partnership with the State of Connecticut

Stamford Public Schools and the City of Stamford worked with the Stamford state legislative delegation to secure an unprecedented increase of 60% reimbursement for all school construction projects – which will end in 2024 – and 80% reimbursement for the rebuilding of Westhill High School. To ensure efficient execution and project management of the school building program, the project team remains in communication with the State of Connecticut Department of Administrative Services. The City is grateful for the partnership of the Stamford state legislative delegation in advocating for this historic reimbursement rate.

Public Engagement Schedule

In 2022, there were multiple community feedback sessions presenting the Long-Term Facilities Plan and S/L/A/M Collaborative presentations to City Boards, all of which were open to the public.

In the coming months, the City will hold a public engagement session in August 2024 and in the early fall. The project team will continue to hold public engagement sessions over the course of the year. For project updates and additional information, visit www.spsbuilds.com.

Westhill High School Project

The City retained the following professional services firms to assist with the planning, design, and implementation of the project:

- S/L/A/M Collaborative will serve as the Architect;
- Collier's Project Leader's as Owner's Representative;
- Dimeo + Bismark Construction will serve as the Construction Manager at Risk.

In September 2023, S/L/A/M architects commenced with Concept Design tasks including siting of the new building and the confirmation of the program guided by SPS Educational Specifications. Conceptual Design presented their completed plan to the Project Planning Committee (PPC) on December 5th, 2023, and Schematic Design commenced shortly thereafter.

Early in the Schematic Design process the project team explored a renovation of the 2006 addition, gymnasium, and pool. Upon review with the City's Office of Grants Administration it was determined that the renovation project would be inconsistent with the original application and would therefore jeopardize the State's approved 80 percent reimbursement rate. To retain the authorization the team was advised that the project should conform to the grant application and remain entirely new construction.

The Construction Manager commenced preconstruction services in March 2024 at the end of Schematic Design. A Schematic Design was presented on April 26th to the Project Planning Committee (PPC) and on May 28th at a meeting of the Board of Education. Two estimates were prepared by S/L/A/M's professional estimating consultant and Dimeo+ Bismark's in-house estimating team based on the Schematic Design documents. In May, the estimates revealed a project cost of more than \$500M based on the State approved specifications. This amount far exceeded the initial project budget reviewed by the PPC.

The City instructed the consultant team to revise the Schematic Design by reducing building square footage not related to the educational program, including but not limited to loading dock areas, mechanical rooms, and circulation space. The City instructed the team to economize site conditions and mitigate needs for retaining walls, review construction phasing, and evaluate use of premium exterior materials.

Estimates were reconciled across multiple meetings where assumptions, quantities, and market pricing were reviewed by both estimating teams to align the scope of the estimates and projected costs. While the team did adjust the design and construction plans, the estimate remains beyond the authorized budget at approximately \$460 million.

The data analyzed to support the increased required budget includes data from the Massachusetts Building Authorities Database of school construction and market comparisons of Connecticut school projects. The construction manager provided an analysis of local markets and detailed other factors that are unique contributors to the cost of the Westhill project:

- A challenging slope across the site.

- The site will have to temporarily accommodate two high schools, over 750,000 square feet of building, 2,200 students and staff, hundreds of construction workers and space for construction activity that will require use of and restoration of the stadium and other playing fields.
- Data collected during the schematic design increased the expectation for the extent of PCBs and asbestos in the demolition of the existing building, further increasing the amount that projected construction would cost.

Given the calculated cost of escalation, the costs to delay the project exceed the cost to proceed into Design Development through the end of 2024. At the beginning of 2024, cost estimating will again be performed by the estimator retained by S/L/A/M Architects and the Construction Manager at Risk Dimeo + Bismark. The Project Planning Committee will meet monthly to review project developments.

Westhill High School Natatorium (Pool)

During the Concept Design process, an eight-lane pool was identified in the education specifications. However, it was determined that a new, ventilated, accessible, and dimensionally improved six-lane natatorium would be budget conscious, comparable to similar facilities in peer communities, and appropriately serve the needs of the school. A new six-lane pool with an integrated diving well is included in the current Schematic Design.

In March 2024, the evaluation of the existing pool conditions by S/L/A/M's consultant determined barriers to renovating the existing pool:

“The existing competition pool at Westhill High School currently lacks adequate water depth for swimmers to use starting blocks and the dive envelope does not meet minimum regulatory requirements for water depth at 1-meter springboards or clearances overhead. Additionally, the existing pool is not compliant with the Americans with Disabilities Act (ADA) and the absence of any deck drainage to waste...The natatorium has experienced poor indoor air quality and was likely the reason for an HVAC renovation project years ago, but the renovation was constrained by existing conditions and did not include a medium pressure UV system for chloramine removal. And some of the piping has been replaced; however, the original piping buried below the pool from the main drains appears to be cast iron as it comes into the perimeter tunnel. Over time, the chlorinated water will compromise the pipe's integrity and fail.”

The decision remains as to whether the removal of the pool and its supportive services could be removed from the final design. The team has designed the natatorium so that it can be removed from the project at a later stage of the design with minimal impact. Estimations have determined the natatorium, including locker rooms, is approximately \$19 million or 4.1% of the project costs. The grant reimbursement for the pool is a reduced rate of 40%. The design team will proceed with design of the natatorium through Design Development and the projected costs will be re-evaluated at the end of the design phase.

Westhill High School Sustainable Infrastructure

The City is committed to sustainability, including in its construction practices. While the inclusion of sustainable construction practices is critical to mitigating negative environmental impacts, financial incentives also make the decision to invest in sustainable practices easier.

S/L/A/M retained Thornton Tomasetti to provide first cost and whole life cycle cost analysis for multiple mechanical system options to assist the City with selecting a mechanical system for the new building. This analysis shows financial incentives through Eversource and tax credits through the Inflation Reduction Act. The project will be solar ready and the City can determine a future source of solar. Electric vehicle (EV) charging is included in the project but identified for possible value management. The following is a breakdown of cost savings:

- The cost for the hybrid geothermal system is approximately \$16 million, which is fully eligible for reimbursement through the grant.
- Eversource incentives up to \$2 million and tax credits estimated at \$20 million can offset the cost of the geothermal system.

These rebates come to the City after project completion and would provide a net benefit to the school construction portfolio rather than the Westhill budget.

Westhill High School Renovation Analysis

Throughout the grants process, the project team explored renovation of Westhill High School as a potential option and a comprehensive report of those findings is included in the Long-Term Facilities Plan. In 2021, the State accepted the analysis which found that it was neither financially nor programmatically beneficial to renovate the existing building.

Given the increase in cost for new construction, the current project team reevaluated this potential option and came to a similar conclusion. A renovation would extend the project timeline by two years, increase project costs, and impact the quality of learning environments for both students and staff. The savings historically seen for renovating buildings as opposed to building a new school seem to have diminished with the advent of modern mechanical systems and more stringent building and energy code requirements, which make it challenging to retrofit mechanical systems.

The technical complexity of the project makes it challenging to anticipate ineligible expenses and unforeseen change orders. Additionally, to consider a renovation, the City would be required to change the grant application through the State and restart the project, which would make retaining an 80% reimbursement rate difficult, if not impossible. A renovation option would also greatly disrupt the school's day-to-day operations for students and faculty.

Westhill High School Next Steps - Design Development

As mentioned, cost estimates are not final values, and opportunities still exist in the design process to make targeted reductions and reduce project costs, while maintaining the integrity of educational services and capturing federal incentives and state rebates. A second and third

estimate will be performed for Design Development in Q1 2025 and Construction Documents in Q3 2025, respectively.

Ultimately, pricing will be determined through a competitive bid process which will occur in phased approvals that make up a combined Guaranteed Maximum Price contract through Dimeo + Bismark, the project's Construction Manager. Those phases include a release of an anticipated \$5-\$10 million to mobilize and prepare the site in 2025, a second authorization for early trades to secure materials and labor in early 2026, and most of the construction to take place in 2026.

Roxbury K-8 School

The new Roxbury K-8 School as envisioned in the Long-Term Facilities Plan is essential to the academic goals of Stamford Public Schools. This transition will create academic benefits and reduce capital maintenance and the liabilities of failures of existing equipment and systems beyond their useful life. Based on the estimating data from Westhill High School, the City anticipates the current authorization of \$86 million to increase to \$120 - \$130 million. Professional service contracts, including Owner's Representative and architectural services, have been prepared for approval by the Board of Finance in August 2024. Architectural services are prepared to commence in September. In 2025, the City will seek state approvals for the Roxbury School site work and expects the highest level of construction to start in summer 2026 and last through 2027, with the field site work completed in 2028.

Upper and Lower South School

In May 2024, the Upper and Lower South Schools were awarded a school construction grant for a 60% reimbursement, equaling to \$93,000,000 of the total project costs of \$158,000,000. Design for the Upper and Lower School is anticipated to begin in 2025 and the current Lockwood Avenue site will need to be cleared in summer 2026.

At this time, the City has determined that the estimating will not need to be significantly adjusted if the design can commence by Q2 2025 and demolition can begin by Q2 2026 to maintain the requirement to begin construction within two years of receiving the grant award.

School Construction Improvements - Small Capital Projects

The need for improvements across the school district was a catalyst for the Long-Term Facilities Plan and the City has been awarded numerous grants, at the 60% reimbursement rate, in support of smaller school construction projects. In FY2023-2024, the City reimbursement commitments totaled approximately \$8,380,530 dollars for important asset renewal work across the district. To date, in FY2024-2025, the City has received an additional \$2,000,000 award commitment to renovate bathrooms at Davenport Elementary School and \$6,793,250 for Indoor Air Quality projects at Newfield Elementary School and Rippowam Middle School. These projects provide necessary upgrades to these facilities that extend the useful life of the building, create operational savings and efficiencies, and deliver impactful changes to the quality of the educational learning environment.

The City and Stamford Public Schools continue their joint effort to fully fund improvements that provide air-conditioned classrooms spaces across the district. In 2023, \$200,000 in funding was allocated for air conditioning units, with an additional \$200,000 committed in 2024 to provide fully air-conditioned classrooms throughout the district by late fall 2024.

The City's proactive approach to pursuing grants has returned millions of dollars for expanded accessibility, abatement, roofing, and energy efficiencies in school facilities. Building off a prior \$3,000,000 award, the state Department of Administrative Services announced in the spring that Stamford was awarded an additional \$6,793,250 in a competitive grant process for indoor air quality (IAQ) improvements at Rippowam Middle School and Newfield Elementary School. Stamford received the fifth most IAQ grant funding of any district from the state.

In FY2023-2024 and FY2024-2025, the City has funded over 25 construction projects – approaching \$20 million – in Stamford Public Schools. These projects are funded utilizing a combination of federal Elementary and Secondary School Emergency Relief (ESSER) Funds, American Rescue Plan (ARP) Funds, and State School Construction Grants. A fraction of the \$20 million relies on bonds. Aligned with the Long-Term Facilities Plan, Stamford Public Schools, in partnership with the City of Stamford, is committed to addressing accessibility, sustainability, and air quality in school facilities across the district. Much of the work on these projects is already occurring and planned for summer 2025. Small capital projects will continue unimpeded by the new school construction work.

City Staffing to Support Implementation

City construction projects are managed by the Office of Operations. Due to the scope of work anticipated with the school construction program, the Office of Operations created the position of Director of School Construction to oversee the program's implementation. Additionally, several existing positions have been re-designed to support this program across various function areas including finance, engineering, and project management.

The School Construction Program is supported by the following city officials:

- Director of Operations
- Director of School Construction
- Director of Facilities Capital Project, Board of Education
- City/Board of Education Joint Facilities Officer
- City Engineer
- Senior Construction Manager
- Construction Manager
- Project Accountant – Board of Education Construction
- Operations Program Specialist

As the program continues, the City will find ways to provide staff support to the program.

Conclusion

Over the next several years, the City of Stamford is well-positioned and prepared to embark on this ambitious school construction program which will transform Stamford Public Schools' facilities. The successful advocacy to the State of Connecticut, resulting in an unprecedented 80% reimbursement rate for the construction of Westhill High School, allows the City to move forward with projects of this magnitude. The City of Stamford and Stamford Public Schools is committed to investing in the next generation of Stamford students and we look forward to providing regular updates on the progress of this plan.

Appendix A

Summary of School Improvements Design, Bids, Awards, and Pending Awards (does not capture work completed in 2022)

<u>School</u>		<u>Approximate Authorization</u>	<u>Grant Type</u>	<u>Construction Year</u>
	Door Access Control (18 Schools)	\$1,300,000		Winter 2024
AITE	Chiller Replacement Project	\$1,600,000	ESSER	Fall 2024
Stamford High	Baseball Softball, and Multipurpose Fields	\$3,000,000	ESSER	Summer 2024
	Auditorium/ Art Wing Air Conditioning (AHU)	\$1,700,000	ESSER	Summer 2024
	1927 Roof replacement	\$2,600,000	Grant	Summer 2024
	1927 Building Interior Renovations	\$4,000,000	Grant	Fall 2024-Summer 2025
	Gymnasium Roof	\$1,500,000		
	Building Interior, Windows Masonry	\$12,750,000		Summer 2028
	Solar Panels	\$2,095,709	Grant	Summer 2026

<u>School</u>		<u>Approximate Authorization</u>	<u>Grant Type</u>	<u>Construction Year</u>
Rippowam Middle	Track Resurfacing	\$500,000		Summer 2023
	Auditorium Stage Rigging	\$450,000		Summer 2024
	Air Handling Units (Cooling)	\$8,000,000		Summer 2025
Scofield Middle	Air Conditioning Upgrades (AHU)	\$2,500,000	ESSER	Summer 2024
	Hot Water Heater	\$100,000	ARP	Summer 2024
Turn of River	High Efficiency Boiler Replacement	\$2,000,000	ARP	Summer 2023
	Mechanical Controls Replacement	\$1,500,000	ARP/ESSER	Summer 2024

<u>School</u>		<u>Approximate Authorization</u>	<u>Grant Type</u>	<u>Construction Year</u>
Davenport Elementary	Duct Replacement	\$350,000	ESSER	Summer 2024
	Roof Replacement	\$3,000,000	Grant	Summer 2025
	Water Heater Replacement	\$100,000	ARP	Summer 2024

	Restrooms and Flooring Abatement	\$3,600,000	Grant	Summer 2025
Hart Elementary	Access Improvements	\$450,000		Summer 2024
	Mechanical Controls	\$500,000	ESSER	Summer 2024
Julia A. Stark Elementary	Glenbrook Road Entrance Improvement	\$400,000		Summer 2025
	Boiler Efficiency Project	\$800,000	ESSR	Summer 2024
	Air Handling Unit Replacement	\$552,000	ARP	Summer 2024
	Asset Renewal	\$14,000,000	Grant Pending	Summer 2026-2027
Newfield Elementary	Roof Replacement	\$350,000	Grant	Summer 2025
	Air Handling Units	\$7,147,847	Grant	Summer 2025
Northeast Elementary	Parking Lot Resurfacing	\$250,000		Summer 2024
	Flooring Abatement	\$350,000	Grant	Summer 2025
	Mechanical Controls Replacement	\$1,300,000	ARP/ESSER	Summer 2024
	Classroom Repairs	\$250,000		Summer 2025
	Air Handling Units for Cooling	\$1,200,000		Summer 2025
Rogers (K-8)	Solar Panels	\$900,000	Grant	Summer 2025
Springdale Elementary	Window Replacement	\$1,300,000	Grant	Fall 2024
	Flooring Replacement	\$900,000	Grant	Summer 2025
	Restroom Accessibility and Renovations	\$400,000		Fall 2024
	Air Handling Unit Cooling	\$4,000,000	Future Grant	Summer 2026
Strawberry Hill (K-8)	Solar Panels	\$900,000	Grant	Summer 2025
Stillmeadow Elementary	District Hot Water Replacement	\$100,000	ESSER	Summer 2024
	Twin Meadows Playground Resurfacing	\$600,000		Summer 2023
	Air Handling Unit Replacement	\$1,200,000	ARP	Summer 2025
	Solar Panels	\$461,014	Grant	Summer 2025
Westover Elementary	Gym Air Conditioning (AHU)	\$1,200,000	ESSER	Summer 2024
	Solar Panels	\$1,596,920	Grant	Summer 2025