



*Stephanie  
Rawlings-Blake  
Mayor*

## PLANNING COMMISSION

*Wilbur E. "Bill" Cunningham, Chairman*

### STAFF REPORT



*Thomas J. Stosur  
Director*

**October 8, 2015**

**REQUEST:** Baltimore City Public Schools (City Schools) Capital Improvement Program Fiscal Years 2017-2022

**RECOMMENDATION:** Approval

**STAFF:** Sara Paraniham

**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, 2015, and any amendments or appeals must be submitted by November 23, 2015 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 replacement and renovated construction projects and systemic improvement projects which roofs, boilers, window & door replacements, and fire and safety projects.

On October 2, 2014, the Planning Commission approved the Baltimore City Public Schools' Capital Improvement Program for FY 2016-2021 CIP for \$560 million (\$102 million in City G.O. Bonds and \$458 million in State funds) over the six-year program.

#### **CONFORMITY TO PLANS**

To comply with loan authorization approved by voters on the November 4, 2014 ballot, the amount of City General Obligation Bond funding available for BCPS's FY 2017 School Construction Program is \$17,000,000.

## **ANALYSIS**

This year's CIP submission reflects a commitment 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 2017 is \$111,681,000 of which \$17,000,000 is City funds and \$95,681,000 is a request for state funds. The state typically 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 will begin 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 State CIP submission is for state school construction funds, with City General Obligation bonds as matching funds. The FY17 submission includes two major construction projects initiated prior to the 21<sup>st</sup> Century Building Initiative, a renovation/expansion of a school with severe overcrowding, as well as 40 systemic projects.

Below is a summary of the projects included in the FY2017 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.

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 \$34 million.

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 building plans are subject to change, based on the completion of the Feasibility Study, which is scheduled to begin this school year. 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.

Systemic – The request is for 40 systemic projects at schools. The improvements are fire safety, HVAC systems, elevators, roofs and other urgent needs that cannot be delayed until the school is replaced or renovated through the 21<sup>st</sup> Century Building Initiative.

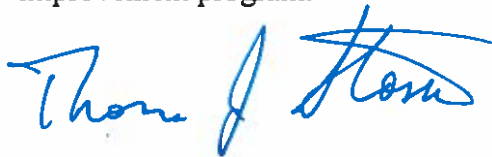
Replacement of schools in the O'Donnell Heights area supports Baltimore Housing's redevelopment of the area, which is a City priority.

Armistead Gardens is currently listed as a Year 5 school in the Buildings Plan. As indicated above, 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. BCPS has indicated that they will revise the 10 year plan to reflect the priority to make improvements to Armistead Gardens on an accelerated schedule due to overcrowding. Planning's support for this CIP item is contingent on updating the 10-year plan prior to funds being appropriated for this project.

In total, this FY 2017-2022 CIP is a request for approximately \$537 Million (\$102 million in City G.O. Bonds and \$435 million in State funds) over the six-year program, as illustrated in the attached tables.

The FY 2017 CIP received its first approval by the School Board on September 22, 2015.

Planning Staff supports new investment to upgrade schools and the continued emphasis on systemic improvements and recommends approval of the FY 2017-2022 BCPS capital improvement program.



**Thomas J. Stosur,  
Director**