

MCKEESPORT AREA SCHOOL DISTRICT

Project Description Booklet

for an

Act 34 Hearing

concerning the construction of

*A New McKeesport
Elementary/Intermediate School*

Location:

District Administrative Offices
3590 O'Neil Boulevard
McKeesport, PA 15132

Date:

September 21, 2011

Time:

7:00 p.m.

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INTRODUCTION

The Board of School Directors of the McKeesport Area School District provides this descriptive information to inform residents of plans for construction of a New McKeesport Elementary/Intermediate School, subsequently referred to as the Project.

This information reviews the background of the Project, describes the proposed facilities and estimates the direct and indirect costs of the Project as well as the impact of the estimated costs on millage rates.

**CONSTRUCTION OF THE
NEW MCKEESPORT INTERMEDIATE / ELEMENTARY SCHOOL
MCKEESPORT AREA SCHOOL DISTRICT
ALLEGHENY COUNTY, PENNSYLVANIA**

RESOLUTION

WHEREAS it is the intent of the Board of School Directors of the McKeesport Area School District to build a New McKeesport Elementary/Intermediate School; and

WHEREAS, Act 34 of 1973 requires that the School Board shall, by a majority vote of all its members, authorize a maximum building construction cost and a maximum project cost to be financed by the District; and

WHEREAS, the term **maximum building construction cost** includes general construction, heating and ventilating, plumbing, electrical and other structural expenses; fixtures and equipment, and architectural and engineering fees on these items associated with the new construction only, and

WHEREAS, the term **maximum project cost** means building construction costs associated with alterations to the existing building, plus all other costs of the project proposal including grading, access roads, site acquisition, site development, sewage disposal, architectural and engineering fees on these items, legal fees and the like; and

WHEREAS, said Act 34 requires that a public hearing be held for all new buildings and substantial additions to an existing building not later than 30 days before the School District formally submits the building construction cost estimates to the Department of Education for approval.

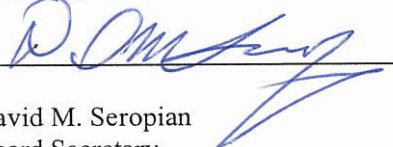
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- * 1. The Board of School Directors hereby authorizes a **maximum building construction cost** of \$23,925,755 and a **maximum project cost** of \$31,758,678 for the construction of the New McKeesport Elementary/Intermediate School.
2. A public hearing is hereby authorized on the New McKeesport Elementary/Intermediate School Project to be held on September 21, 2011 at 7:00 p.m. in compliance with Act 34 and Public School Code of 1949. as amended.

3. The Secretary of the Board is hereby authorized and directed to advertise the Notice of Public Hearing in substantially the form set forth in Exhibit "A" attached hereto, in accordance with the requirements of Act 34 and the Public School Code of 1949, as amended.
4. The architectural firm of J C Pierce LLC is hereby authorized and directed to prepare a description of the Project as required by Act 34 and Chapter 349 of the Department of Education and State Board of Education Regulations, 22 Pa. Code _349, et. Seq. Said Project description shall be made available for the public at least 20 days prior to the public hearing, and the description shall be mailed to the news media no later than 14 days prior to the public hearing.
5. The proper officers of the School District shall submit to the Pennsylvania Department of Education a certified copy of this Resolution, a copy of the minutes or transcript of the public hearing, proof of publication of the public hearing notice, and a complete description of the Project, and any and all other documents required by the Department of Education in connection herewith.
6. The proper officers, Architect, investment advisors/bankers, and legal counsel of the School District are hereby authorized and directed to execute any and all documents and to do and cause to be done any and all acts and things necessary or proper for the carrying out of this Resolution.
7. All resolutions or portions thereof conflicting with this Resolution are hereby superseded.

RESOLVED AND APPROVED by the Board of School Directors of the McKeesport Area School District this 10th day of August, 2011.

ATTEST:


 David M. Seropian
 Board Secretary

MCKEESPORT AREA SCHOOL DISTRICT

By _____
 Wayne Washowich
 Board President

This certifies that the above Resolution was approved by the Board of Directors of McKeesport Area School District as follows:

BOARD ACTION DATE August 10, 2011

Role call vote: Aye 6 Nay 1 Abstentions 0 Absent 2

David M. Seropian, Board Secretary

[SEAL]

**MCKEESPORT AREA
SCHOOL DISTRICT
NOTICE OF PUBLIC HEARING
September 21, 2011**

TO ALL RESIDENTS OF THE MCKEESPORT AREA SCHOOL DISTRICT AND ALL OTHER INTERESTED PERSONS AND PARTIES TAKE NOTICE that the Board of School Directors of the McKeesport Area School District has scheduled a public hearing in the Board Room located at the District Administrative Offices, 3590 O'Neil Boulevard, McKeesport, Pennsylvania 15132 on September 21, 2011 at 7:00 o'clock P.M. The purpose of this hearing is to review the construction of the New McKeesport Elementary/Intermediate School and to receive public comments.

The public hearing is to be held pursuant to the requirements of the Pennsylvania Public School Code of 1949, approved March 10, 1949, as amended, including amendments made pursuant to Act No. 34 of the Session of 1973 of the General Assembly.

The Board has approved and adopted a maximum building construction cost of \$ 23,925,755, and a maximum project cost of \$ 31,758,678 for the construction of the New McKeesport Elementary/Intermediate School.

Description of the project, including facts with respect to educational, physical, administrative, budgetary and fiscal matters related to the projects, will be available on August 15, 2011, and may be obtained weekdays between 8:00 A.M. and 4:00 P.M. at the McKeesport Area School District, Administrative Offices, 3590 O'Neil Boulevard, McKeesport, Pennsylvania 15132. The booklet and the facts contained therein will also be available and presented at such public hearing.

All residents of the School District are invited to attend and may gain agenda time by signing to speak by 4:00 P.M., September 21, 2011 in the District Administration Offices. Written testimony may be submitted to the Board Secretary prior to the hearing. Testimony and questions by citizens who have signed to speak at the hearing shall be limited to ten (10) minutes.

Written comments will also be received by the Board Secretary until 12:00 o'clock Noon on October 24, 2011 at the Administration Offices, 3590 O'Neil Boulevard, McKeesport, Pennsylvania 15132.

MCKEESPORT AREA SCHOOL DISTRICT
David M. Seropian, Secretary
McKeesport Area Board of School Directors

MCKEESPORT AREA SCHOOL DISTRICT

Board of School Directors

Wayne Washowich, President

Steven Kondrosky, Vice Pres.	Mark Holtzman
James Brown	Joseph Lopretto
Joseph Chiaverini	Thomas Maglicco
Chistopher Halaszynski	Patricia Maksin

Superintendent
Dr. Timothy Gabauer

Business Manager & Board Secretary
David M. Seropian

Solicitor
Jack Cambest

Bond Counsel
Dinsmore & Shohl

Investment Banker
Janney Montgomery Scott

Architectural Firm
J C Pierce LLC

Construction Managers
Pennsylvania Project Management

COMPLIANCE WITH SCHOOL CODE AND REGULATIONS

In 1973, the General Assembly amended the Public School code with the passage of Act 34 (P.S. Sections 7-701.1). The Purpose of the Act was informational--to ensure that no major school construction would be undertaken without making certain facts and details of a project known to the public.

To this end, any time that a School District plans to build a new school building, or to expand an existing building by more than 20% of its architectural space, as in this instance, the School District must approve and publish maximum building construction and project costs, conduct a public hearing in the format of a legislative hearing upon twenty days notice and provide a printed brochure detailing the need, plan, costs and other features of the project at least fourteen days in advance of the hearing.

Included within this brochure is the form of public notice which appeared in the newspaper, as demonstrated by the proof of publication provided to the District. This brochure was released to the news media and made available for inspection at the administrative offices of the School District beginning August 15, 2011. Accordingly, this public hearing is duly constituted and will be properly conducted pursuant to law and applicable regulations of the State Board of Education.

McKEESPORT AREA SCHOOL DISTRICT
ACT 34 PUBLIC HEARING
AGENDA

NEW McKEESPORT ELEMENTARY/INTERMEDIATE SCHOOL

- | | | |
|------|--|---|
| I. | Opening Statement | Wayne Washowich
President of the Board |
| II. | Project History and Justification | Dr. Timothy Gabauer
Superintendent of Schools |
| III. | Educational Programs and Construction
Alternatives Considered | J C Pierce LLC |
| IV. | Cost Analysis and Local Budget Impact | Dr. Timothy Gabauer, Supt..
David. Seropian, Bus. Mgr
Janney Montgomery Scott |
| V. | Questions and Answer Period | |

Rules of Order:

1. Residents who have previously signed for speaking time will be recognized in the order they signed; others who wish to speak should gain the attention of the chair by signaling with their hand at the appropriate time.
2. Once recognized by the Chair, the speaker should state his/her name and address.
3. Speakers are asked to limit their questions or comments to a single point. They may direct their questions or comments to a specific person if they choose.
4. A ten minute time limit is set for each speaker's questions or comments.

VI. Written Comments:

Citizens who wish to provide written comments may do so by delivering such comments to the Office of the Board Secretary, 3590 O'Neil Boulevard, McKeesport, Pennsylvania 15132 during business hours during the term of the thirty (30) day period for comment which ends at 12 o'clock Noon, October 24, 2011.

*** PROJECT JUSTIFICATION**

The McKeesport Area School District was once one of the largest school districts in western Pennsylvania. The decline of the industrial base of the region during the 1980's has resulted in a continuing decline in regional population, and student population in the school district. The District currently operates three elementary buildings which house grades K-3, two intermediate buildings which house grades 4-6, one middle school building which houses grades 7-8, and one high school, housing grades 9-12. The District also operates a cyber school program and an alternative education building housing approximately 100 students. Current student population is approximately 4,300 students.

The District commissioned a Demographic Study in 2005 by Shelby Stewman Consulting. This study concluded that District population would decline further over the study period of 10 years. Most of the decline was projected to occur at the middle school/high school levels. Projections for the elementary/intermediate (K-6) grades were expected to remain relatively flat, with some minor projected decline. Five years into the study period, actual student population numbers have exceeded demographic projections on an annual basis – most notably at the elementary levels. In addition, the District operates full-time kindergarten, and now provides space for a Pre-K program at its elementary facilities.

In 2007, the District hired an architectural consultant, L. Robert Kimball & Associates (LRK), to complete a district-wide master planning study. This study was completed in 2008. It evaluated the condition of all District buildings and made recommendations for improvements to the physical plant to address building condition, demographic trends, and current capacity. In conducting that study, the firm utilized information obtained from on-site evaluation, review of existing documentation, input provided through interactive workshops with District Stakeholders, and information provided by the District Administrative and Faculty teams.

The Study concluded that the Middle School and High School facilities, both of which had been renovated in the past 20 years, were in adequate to good condition, and were not a priority to be renovated. In addition, it was determined that there was adequate-to-excess capacity at these buildings, and that they adequately served the District's educational program. It was determined to do no work on those facilities at this time.

The Study concluded that all five existing buildings that currently house K-6 students were underutilized. Furthermore, the Study documented that all three existing K-3 Elementary Schools (Centennial, George Washington, and White Oak) were in such poor condition that they should be replaced or renovated. One of the existing grade 4-6 Intermediate Schools (Francis McClure) was recently renovated in 2006, and was found to be in excellent condition. The other grade 4-6 Intermediate School (Cornell), had undergone minor asset protection renovations in the late 1990's, and was determined to be in poor condition and in need of significant renovations. This building was also determined to be the most under-utilized facility in the District. All six buildings were constructed before 1950, with four of the buildings having been constructed in the 1920's. The District considered several options prepared by LRK, which are detailed on page 11, and chose to replace the three existing K-3 Elementary Schools with two new K-3 Elementary Schools of the same grade configuration. Both 4-6 Intermediate Schools would be retained, with the Cornell Building being renovated or replaced. After beginning design of the projects, the Board of School Directors determined that this project was not cost effective, and did not adequately address excess capacity issues. In addition, complications with the site of one of the new buildings dramatically increased project costs. In spring, 2009 the projects were canceled by the District.

In 2009, the District hired a new architectural consultant, JC Pierce llc. JC Pierce developed a supplemental study that reviewed options for consolidating the K-3 and 4-6 programs to reduce operating inefficiencies and further decrease the number facility locations in the District. JC Pierce also studied numerous potential site locations for new construction in the City of McKeesport.

* In fall of 2009, the Board of School Directors approved moving forward with an option to consolidate the District's K-6 program from five facility sites to three facility sites. The new configuration would involve the following changes/modifications to the District physical plant:

- Close Centennial Elementary School
- Close George Washington Elementary School
- Close White Oak Elementary School
- Close and Demolish Cornell Intermediate School
- Build a New K-3/4-6 Elementary/Intermediate School in the City of McKeesport
- Build a New K-3/4-6 Elementary/Intermediate School on the site of the current Cornell Building
- Enlarge existing Francis McClure building and convert to a K-3/4-6 Elementary/Intermediate School
- Redistrict all K-6 population accordingly

The new K-6 configuration at each of the three locations will be operated as separate "Schools within a School". Each building will have a separate K-3 Elementary educational wing/floor, and a separate 4-6 Intermediate wing/floor. There will be shared facilities utilized by both "schools": gymnasium, cafeteria, and library on separate schedules. The two "schools" will operate on separate bell and bussing schedules, and each "school" at each location will have it's own dedicated entrance and Administration Office.

This project involves the construction of a new elementary / intermediate building on the DeTorre site and therefore, falls under the requirements of Act 34 – triggering the need for this public hearing. PlanCon Part A was submitted to the PDE in February 2010.

Construction of the project is scheduled to begin in January 2012, and be completed for opening of school in September, 2013.

PROJECT OPTIONS

- Option ES1A/B:** Retain existing District grade/building configuration in eight buildings. Renovate Centennial Elementary School, George Washington Elementary School, and White Oak Elementary School. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 2A:** Consolidate to one McKeesport Elementary School. Close Centennial Elementary School. Renovate and enlarge George Washington Elementary School and White Oak Elementary School. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 3A:** Same as Option 2A, except Close George Washington Elementary School and renovate enlarge Centennial Elementary School. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 4A:** Consolidate to one McKeesport Elementary School. Close Centennial and George Washington Elementary Schools. Build one new Elementary School in McKeesport. Renovate and enlarge White Oak Elementary School. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 5:** Consolidate to two elementary schools, both in McKeesport. Close White Oak Elementary School. Renovate and enlarge Centennial and George Washington Elementary Schools. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 6:** Consolidate to two elementary schools, both in McKeesport. Close White Oak Elementary School. Renovate and enlarge Centennial Elementary School. Build new George Washington Elementary School in McKeesport. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 7:** Same as Option 6, except renovate and enlarge George Washington Elementary School and build new Centennial Elementary School. Close White Oak Elementary School. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.

- Option 8:** Consolidate to two elementary schools, both in McKeesport. Close White Oak Elementary School. Build new Centennial Elementary School and new George Washington Elementary School in McKeesport to replace both existing buildings. Maintain existing District grade/building configuration in seven buildings. Renovate Cornell Intermediate School. No work at Francis McClure Intermediate School, Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 9:** Consolidate to a six building District Structure with new grade configuration. Close White Oak, Centennial, and George Washington Elementary Schools. Close Cornell Intermediate School. Build two new K-6 Elementary Schools in McKeesport. Renovate and enlarge Francis McClure Intermediate School, and convert it to house K-6 population. No work at Founders Hall Middle School, McKeesport High School, or Alternative Education Building.
- Option 10:** Consolidate to a six building District Structure with modified grade configuration. Close White Oak, Centennial, and George Washington Elementary Schools. Close and demolish Cornell Intermediate School. Build one new K-3/4-6 Elementary/Intermediate School in McKeesport at location to be determined. Build one new K-3/4-6 Elementary/Intermediate School in McKeesport at site of the current Cornell Intermediate School. Renovate and enlarge Francis McClure Intermediate School, and convert it to house K-3/4-6 Elementary/Intermediate configuration. Operate all three buildings as “Schools within a School”, with separate bell and bus scheduling for elementary and intermediate grades. No work at Founders Hall Middle School, McKeesport High School, or Alternative Education Building.

*** OPTION 10 WAS THE SELECTED OPTION BECAUSE IT WAS DEEMED TO BE IN THE DISTRICT’S BEST INTEREST FOR THE FOLLOWING REASONS:**

1. Consolidation from seven (7) to five (5) District facilities.
2. Elimination of redundant/ under-utilized space.
3. Elimination of aged/ obsolete facilities.
4. Maintain current grade configuration and alignment (K-3, 4-6, 7-8, 9-12).
5. Utilize school within a school concept.
6. Reduction of total District square footage.
7. Reduction of future operating and maintenance cost.
8. Creation of state-of-the-art learning environment.
9. Creation of highly efficient/ sustainable buildings.
10. Inclusion of Pre-K Program.
11. Best value (bang-for-the-buck).
12. Long-term most fiscally responsible option.

SUMMARY OF OWNED BUILDINGS AND LAND

District/CTC: **McKeesport Area School District** Project Name: **New McKeesport E / I School** Grades: **K - 6**

PRESENT					PLANNED					
#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11
NAME OF BUILDING OR SITE (INCLUDING DAO AND VACANT LAND) OWNED BY SCHOOL DISTRICT/CTC	CONSTRUCTED AND/OR RENOVATION DATES (BID OPENING DATES)	SITE SIZE (ACRES)	GRADE LEVELS	BUILDING FTE	CONVERSION / DISPOSITION AND PLANNED CONVERSION DATE BASED ON OPTION CHOSEN	SITE SIZE (ACRES)	GRADE LEVELS	PLANNED BUILDING FTE	PDE PROJECTED GRADE LEVEL ENROLLMENT 10 YEARS INTO THE FUTURE	FTE MINUS ENROLLMENT (#9 - #10)
Geo Washington ES	1928 A & R 1989	2	K - 3	550	Close 2012				XXXXXXXXXX	XXXXXXXXXX
White Oak E S	1949 A&R 1990 2000	7.7	K - 3	600	Close 2012				XXXXXXXXXX	XXXXXXXXXX
Centennial ES	1921 A & R 1990	2.4	K - 3	700	Close 2012				XXXXXXXXXX	XXXXXXXXXX
Subtotal	XXXXXXXXXX	XXX	XXXX	1,850	XXXXXXXXXXXXXXXXXXXXXXXXXX	XXX	XXXX			
New Elementary School					Complete 2012	26	K - 6	875		
Cornell Intermed. School	1922 A&R '64 '98	8.2	4 - 6	600	Convert to K - 6 in 2012	8.4	K - 6	875	INPUT	ATE
McClure Intermediate School	1959 A&R '64 '06	38	4 - 6	475	Convert to K - 6 in 2012	38	K - 6	750	PDE PROJ	ECTION
Subtotal	XXXXXXXXXX	XXX	XXXX	1,075	XXXXXXXXXXXXXXXXXXXXXXXXXX	XXX	XXXX	2,500	IN COL.	#10,
									SUBTOTAL	
Founders Hall M S	1960 A & R 2003	43	7 - 8	1,005	Maintain	43	7 - 8	1,005	INPUT	ATE
District Administrative	1960 A & R 2003	43		46	Maintain	43		46	APPROPRI	ECTION
Subtotal	XXXXXXXXXX	XXX	XXXX	1,051	XXXXXXXXXXXXXXXXXXXXXXXXXX	XXX	XXXX	1,051	IN COL.	#10,
									SUBTOTAL	
Senior High School + OVT	1960	43	9 - 12	1,565	Maintain	43	9 - 12	1,565	INPUT	ATE
Subtotal	XXXXXXXXXX	XXX	XXXX	1,565	XXXXXXXXXXXXXXXXXXXXXXXXXX	XXX	XXXX	1,565	APPROPRI	ECTION
									IN COL.	#10,
TOTAL	XXXXXXXXXX	XXX	XXXX	5,541	XXXXXXXXXXXXXXXXXXXXXXXXXX	XXX	XXXX	5,116	SUBTOTAL	ION OF
									REQUIRED	ACTIONS
										BELOW

**ACTIONS TO BE TAKEN IN THE FUTURE IF PROJECTIONS COME TRUE
AND THE DISTRICT EXPERIENCES EXCESS OR INSUFFICIENT CAPACITY
(FTE MINUS PROJECTED ENROLLMENT (Col. 11) > + or - 300)**

CHECK IF APPLICABLE:

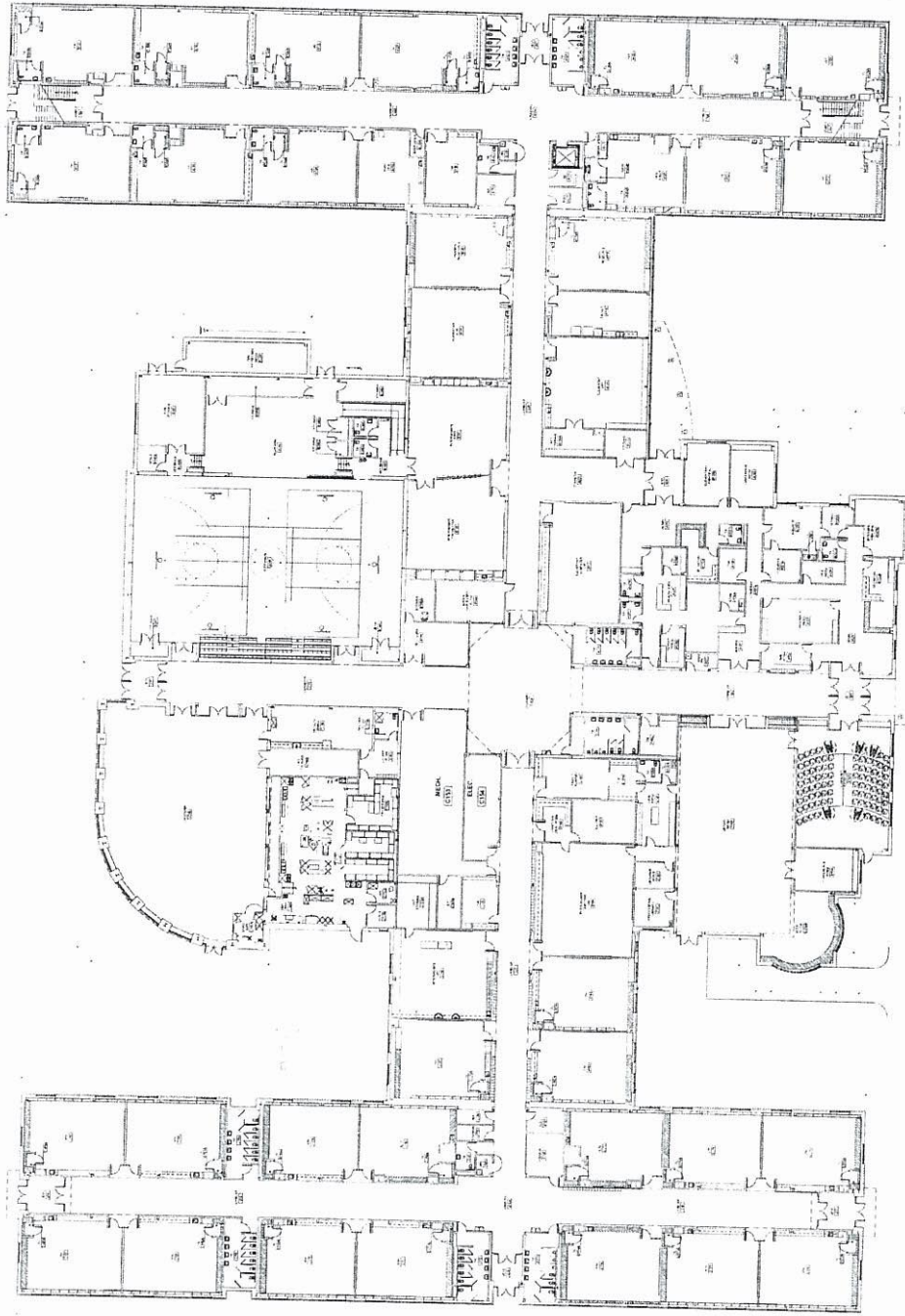
- EXPAND PROGRAMS OR COURSE OFFERINGS
- PROVIDE SPACE FOR USE BY COMMUNITY GROUPS OR SERVICE AGENCIES
- OFFER FULL-TIME KINDERGARTEN OR PRE-SCHOOL
- REDUCE CLASS SIZE
- CLOSE SCHOOL(S)
- OTHER (DESCRIBE): _____



ENGINEERING FIRM
 1000 W. 10TH ST.
 PITTSBURGH, PA 15227
 PHONE: 412.261.1111
 FAX: 412.261.1112
 WWW: WWW.PIERCEPENNERSMITH.COM

UTILITY INFORMATION
 ALL UTILITIES SHOWN ARE BASED ON RECORD DRAWINGS AND FIELD SURVEY. THE ENGINEER HAS CONDUCTED VISUAL INSPECTIONS OF ALL UTILITIES SHOWN AND HAS FOUND THEM TO BE ACCURATE. THE ENGINEER HAS NOT CONDUCTED ANY TESTS OF UTILITIES. THE USER OF THIS PLAN SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION.

C-3.0 GRADING PLAN	DATE: 4-2-11	PROJECT NO.: 1000000000	SHEET NO.: 15	TOTAL SHEETS: 15
	MCKEESPORTE SCHOOL DISTRICT MCKEESPORTE ELEMENTARY/ INTERMEDIATE SCHOOL UNIVERSITY CITY, PA 15132			
NOT FOR CONSTRUCTION				300 Lincoln Avenue Pittsburgh, PA 15222 Phone: 412.261.1111 Fax: 412.261.1112 www.piercepenn.com
PREPARED FOR THE PLANNING AND CONSTRUCTION MANAGEMENT				



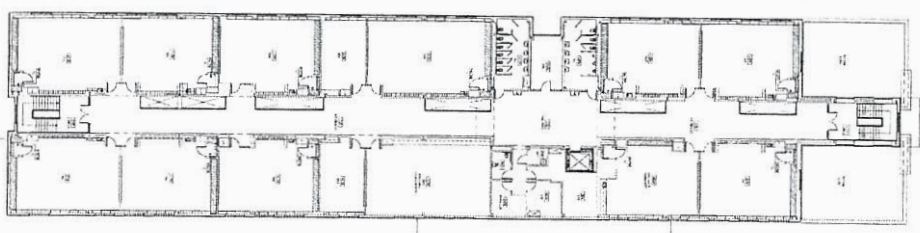
McKEESPORT SCHOOL DISTRICT
McKEESPORT
INTERMEDIATE SCHOOL
McKEESPORT, PA

JC PIERCE
ARCHITECTS
1000 W. 15th St.
Pittsburgh, PA 15222
Phone: 412-261-1100
Fax: 412-261-1101
www.jcpierce.com

ALL DIMENSIONS AND
NOTES SHALL BE CHECKED AND
CORRECTED BY THE ARCHITECT
BEFORE THE COMMENCEMENT OF
CONSTRUCTION. THE ARCHITECT
SHALL BE RESPONSIBLE FOR
VERIFYING THE ACCURACY OF ALL
DIMENSIONS AND NOTES.
NO DIMENSIONS SHALL BE
CONSIDERED AS FINAL UNLESS
SPECIFICALLY NOTED OTHERWISE.

NOT FOR
CONSTRUCTION





SECOND FLOOR COMPREHENSIVE PLAN
 1/8" = 1'-0"

PROJECT ACCOUNTING BASED ON ESTIMATES (1 of 2)

District/CTC: McKeesport Area School District	Project Name: New McKeesport Elementary / Intermediate School	Project #: 3587
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ROUND FIGURES TO NEAREST DOLLAR

PROJECT COSTS	NEW	EXISTING	TOTAL
A. STRUCTURE COSTS (include site development)			
1. General (Report costs for sanitary sewage disposal on line E-1.)	24,878,551		24,878,551
2. Heating and Ventilating			
3. Plumbing (Report costs for sanitary sewage disposal on line E-1.)			
4. Electrical			
5. Asbestos Abatement (D04, line C-3)	X X X X X		
6. Building Purchase Amount	X X X X X		
7. Other * (Exclude test borings and site survey)			
a. _____			
b. _____			
c. _____			
d. _____			
e. PlanCon-D-Add't Costs, Total			
A-1 to A-7 - Subtotal	24,878,551		24,878,551
8. Construction Insurance			
a. Owner Controlled Insurance Program on Structure Costs (Exclude asbestos abatement, building purchase and other structure costs not covered by the program)	627,998		
b. Builder's Risk Insurance (if not included in primes)			
c. Construction Insurance - Total	627,998		627,998
9. TOTAL-Structure Costs (A-1 to A-7-Subtotal plus A-8-c)	25,506,549		25,506,549
B. ARCHITECT'S FEE			
1. Architect's/Engineer's Fee on Structure	1,617,106		1,617,106
2. EPA-Certified Project Designer's Fee on Asbestos Abatement	X X X X X X X X X X		
3. TOTAL - Architect's Fee	1,617,106		1,617,106
C. MOVABLE FIXTURES AND EQUIPMENT			
1. Movable Fixtures and Equipment	600,000		600,000
2. Architect's Fee			
3. TOTAL - Movable Fixtures & Equipment	600,000		600,000
D. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES & EQUIPMENT - TOTAL (A-9 plus B-3 and C-3)	27,723,655		27,723,655
E. SITE COSTS			
1. Sanitary Sewage Disposal	106,462		106,462
2. Sanitary Sewage Disposal Tap-In Fee and/or Capacity Charges	75,000		75,000
3. Owner Controlled Insurance Program/Builder's Risk Insurance on Sanitary Sewage Disposal	2,664		2,664
4. Architect's/Engineer's Fee for Sanitary Sewage Disposal	6,920		6,920
5. Site Acquisition Costs			
a. Gross Amount Due from Settlement Statement or Estimated Just Compensation	277,000	X X X X X X X X X X X X X X X	277,000
b. Real Estate Appraisal Fees	6,200	X X X X X	6,200
c. Other Related Site Acquisition Costs		X X X X X	
d. Site Acquisition Costs - Total	283,200	X X X X X	283,200
6. TOTAL - Site Costs	474,246		474,246
F. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES & EQUIPMENT, AND SITE COSTS - TOTAL (D plus E-6)	28,197,901		28,197,901

* Type "No Fee" beside each item for which no design fee is charged.

PROJECT ACCOUNTING BASED ON ESTIMATES (2 of 2)

District/CTC: McKeesport Area School District	Project Name: New McKeesport Elementary / Intermediate School	Project #: 3587
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ROUND FIGURES TO NEAREST DOLLAR

PROJECT COSTS (CONT.)				TOTAL
G. ADDITIONAL CONSTRUCTION-RELATED COSTS				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				
2. Construction Manager Fee and Related Costs				749,550
3. Total Demolition of Entire Existing Structures and Related Asbestos Removal to Prepare Project Site for Construction of New School Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				25,000
5. Test Borings				40,000
6. Site Survey				37,500
7. Other (attach schedule if needed)				
a. _____				
b. PlanCon-D-Add't Costs, Total				
8. Contingency				624,626
9. TOTAL - Additional Construction-Related Costs				1,476,676
H. FINANCING COSTS FOR THIS PROJECT ONLY	BOND ISSUE/NOTE SERIES OF 2011	BOND ISSUE/NOTE SERIES OF _____	BOND ISSUE/NOTE SERIES OF _____	X X X X X X X X X X X X
1. Underwriter Fees	200,000			200,000
2. Legal Fees	50,000			50,000
3. Financial Advisor				
4. Bond Insurance	250,000			250,000
5. Paying Agent/Trustee Fees and Expenses	2,500			2,500
6. Capitalized Interest	1,552,601			1,552,601
7. Printing	4,000			4,000
8. CUSIP & Rating Fees	25,000			25,000
9. Other				
a. _____				
b. _____				
10. TOTAL-Financing Costs	2,084,101			2,084,101
I. TOTAL PROJECT COSTS (F plus G-9 plus H-10)				31,758,678 *
REVENUE SOURCES	BOND ISSUE/NOTE SERIES OF 2011	BOND ISSUE/NOTE SERIES OF _____	BOND ISSUE/NOTE SERIES OF _____	TOTAL
J. AMOUNT FINANCED FOR THIS PROJECT ONLY	31,455,000			31,455,000
K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY				
L. INTEREST EARNINGS FOR THIS PROJECT ONLY	303,678			303,678
M. BUILDING INSURANCE RECEIVED				
N. PROCEEDS FROM SALE OF BUILDING OR LAND				
O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)				
P. OTHER FUNDS (ATTACH SCHEDULE)				
Q. TOTAL REVENUE SOURCES				31,758,678 *

DETAILED COSTS			
District/CTC: McKeesport Area School District	Project Name: New McKeesport Elementary / Intermediate School	Project #: 3587	
	NEW	EXISTING	TOTAL
A. SITE DEVELOPMENT COSTS (exclude Sanitary Sewage Disposal)			
1. General (include Rough Grading to Receive Building)	3,478,659		3,478,659
2. Heating and Ventilating			
3. Plumbing			
4. Electrical			
5. Other: _____			
6. Other: _____			
7. A-1 thru A-6 - Subtotal	3,478,659		3,478,659
8. Construction Insurance			
a. Owner Controlled Insurance Program on Site Development Costs	87,445		87,445
b. Builder's Risk Insurance (if not included in primes)			
c. Construction Insurance - Subtotal	87,445		87,445
9. Site Development Costs - Total	3,566,104		3,566,104
B. ARCHITECT'S FEE ON SITE DEVELOPMENT	231,796		231,796
			EXISTING
C. ASBESTOS ABATEMENT			
1. Asbestos Abatement			
2. AHERA Clearance Air Monitoring			
3. Asbestos Abatement - Total (D02, line A-5)			
D. EPA-CERTIFIED PROJECT DESIGNER'S FEE ON ASBESTOS ABATEMENT (D02, LINE B-2)			
E. ROOF REPLACEMENT/REPAIR			
1. Roof Replacement Repair			
2. Owner Controlled Insurance Program on Roof Replacement/Repair			
3. Builder's Risk Insurance (if not included in primes)			
4. Roof Replacement/Repair - Total			
F. ARCHITECT'S FEE ON ROOF REPLACEMENT/REPAIR			

**ACT 34 OF 1973: MAXIMUM BUILDING CONSTRUCTION COST
FOR NEW BUILDING OR SUBSTANTIAL ADDITION ONLY**

District/CTC: McKeesport Area School District	Project Name: New McKeesport Elementary / Intermediate School	Project #: 3587
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Act 34 applies only to costs for new construction. The legal requirements do not address the costs for alterations to existing structures. For this reason, costs associated with the existing structure and other related costs should not be included in the following calculations.

A. STRUCTURE COST, ARCHITECT'S FEE, MOVABLE FIXTURES AND EQUIPMENT (D02, line D-NEW)

\$ 27,723,655

B. EXCLUDABLE COSTS FOR NEW CONSTRUCTION

1. Site Development Costs (D04, line A-7-NEW) \$ 3,566,104

2. Architect's Fees on the above
excludable costs \$ 231,796

3. Vocational Projects Only - Movable
Fixtures & Equipment (D02, line C-3-NEW) \$ _____

4. Total Excludable Costs
(B-1 plus B-2 and B-3) \$ 3,797,900

C. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST
(A minus B-4)

\$ 23,925,755

**THE BOARD MUST ADOPT THE FIGURE ON
LINE C BEFORE SCHEDULING THE FIRST
ACT 34 HEARING.**

**THE FIGURE ON
LINE A SHOULD
NOT BE ADOPTED
BY THE BOARD.**

IF THE MAXIMUM BUILDING CONSTRUCTION COST BASED ON BIDS IS EQUAL TO OR GREATER THAN THE MAXIMUM BUILDING CONSTRUCTION COST BASED ON ESTIMATES PLUS EIGHT PERCENT (LINE D), A SECOND PUBLIC HEARING WILL BE REQUIRED BEFORE ENTERING INTO CONTRACTS AND STARTING CONSTRUCTION ON ANY PLANNED WORK.

D. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST
TIMES 1.08 (C times 1.08)

\$ 25,839,815

**THE FIGURE ON LINE D
SHOULD NOT BE ADOPTED BY
THE BOARD.**

ACT 34 OF 1973: AGGREGATE BUILDING EXPENDITURE STANDARD

District/CTC: McKeesport Area School District	Project Name: New McKeesport Elementary / Intermediate School	Project #: 3587
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A. GRADES K-6		
1. Act 34 Elementary Capacity (D21, line G)	1888	
2. 2010-2011 Per Pupil Cost Limit	<u>\$15,092</u>	
3. Building Expenditure Standard for Grades K-6 (A-1 times A-2)		\$ <u>28,493,696</u>
B. GRADES 7-9		
1. Grades 7-9 Capacity		
a. Act 34 Secondary Capacity (D22, line R)	_____	
b. Proration Fraction (building housing grades 7-9 - 1.00; grades 7-12 - .50; grades 8-12 - 0.40; grades 9-12 - .25; grades 10-12 - 0.00)	_____	(ROUND TO 2 DEC PL)
c. Grades 7-9 Capacity (1-a times 1-b; rounded to nearest whole number)	_____	
2. 2010-2011 Per Pupil Cost Limit	<u>\$22,109</u>	
3. Building Expenditure Standard for Grades 7-9 (B-1-c times B-2)		\$ _____
C. GRADES 10-12 / DAO		
1. Grades 10-12 Capacity		
a. Act 34 Secondary Capacity (D22, line R)	_____	
b. Proration Fraction (building housing grades 7-9 - 0.00; grades 7-12 - .50; grades 8-12 - 0.60; grades 9-12 - .75; grades 10-12 - 1.00)	_____	(ROUND TO 2 DEC PL)
c. Grades 10-12 Capacity (1-a times 1-b; rounded to nearest whole number)	_____	
d. Act 34 District Administration Office Capacity (D21, line I)	_____	
e. Grades 10-12 / DAO Capacity (1-c plus 1-d)	_____	
2. 2010-2011 Per Pupil Cost Limit	<u>\$27,374</u>	
3. Building Expenditure Standard for Grades 10-12 / DAO (C-1-e times C-2)		\$ _____
D. VOCATIONAL		
1. Act 34 Vocational Capacity (D21, line L)	_____	
2. 2010-2011 Per Pupil Cost Limit	<u>\$27,374</u>	
3. Building Expenditure Standard for Vocational (D-1 times D-2)		\$ _____
E. AGGREGATE BUILDING EXPENDITURE STANDARD (A-3 plus B-3 plus C-3 plus D-3)		
		\$ <u>28,493,696</u>
F. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST (D20, line C)		
		\$ <u>23,925,755</u>

IF THE ACT 34 MAXIMUM BUILDING CONSTRUCTION COST (Line F) EXCEEDS THE AGGREGATE BUILDING EXPENDITURE STANDARD (Line E), THIS PROJECT REQUIRES A REFERENDUM.

REFERENDUM (if applicable)

Date Advertised _____

Date Held _____

*** ANALYSIS OF FINANCING ALTERNATIVES**

We have analyzed four alternative methods of financing the proposed construction cost of the McKeesport School Project, hereafter referred to as the "Project". The costs of financing, as required by the Department of Education regulations issued November 4, 1978 were also estimated.

The four alternatives of financing which we examined are:

1. Cash or a short-term loan.
2. General obligation bond issue.
3. A local authority issue.
4. State Public School Building Authority (SPSBA).

Analysis of the School District's financial statements for recent years and financing projections prepared in connection with the overall Project indicated that cash financing, or a short-term bank loan, was not feasible. The School District did not have the funds necessary to pay cash for its share of the Project, nor did it appear that the District would have been able to raise the required amount from its cash flow to meet the proposed construction schedule for the various components of the overall Project.

Analysis of a commercial bank financing demonstrated that even though financing costs would have been lower, the rate of interest would not have been significantly less. It is unlikely that the term of a loan would exceed five to ten years and this alone would adversely increase the annual debt service on a loan. In addition, there was substantial uncertainty as to whether or not the commercial banks would have had funds available for tax-exempt investments for the term required by this financing.

We also analyzed in detail the three alternatives which would require the School District to incur long-term debt. For each alternative, we estimated a bond issue and then constructed a repayment schedule assuming level debt payments for 30 years at current interest rate levels (for comparison purposes only) for the general obligation, Local Authority and SPSBA bond issues. The general obligation bond issue offered the School District the comfort of work with individuals that were familiar with the District's financial objectives and paying a lower interest rate based upon the general obligation taxing power of the School District.

The School District also considered the following alternative to reduce the debt service and local effort needed to fund the project:

The use of municipal bond insurance to improve the credit rating and marketability of the bonds. The cost of such insurance increases the size of the bond issue and reduces the effective reimbursement, but the reduction in interest the School District would pay back on the bonds, due to the lower interest rates involved when using insurance would result in lower overall debt service.

CALCULATION OF BOND ISSUE SIZE

MCKEESPORT AREA SCHOOL DISTRICT

NEW ELEMENTARY SCHOOL PROJECT

<u>Item</u>	<u>General Obligation</u>	<u>Local Authority *</u>	<u>SPSBA**</u>
Construction & Related Costs	\$29,674,577.00	\$29,674,577.00	\$29,674,577.00
Bond Insurance	250,000.00	262,000.00	262,000.00
Bond Discount	200,000.00	210,000.00	210,000.00
Fixed Costs of Issuance	81,500.00	101,500.00	101,500.00
Capitalized Interest	1,552,601.00	1,600,601.00	1,600,601.00
Less: Interest Earnings	303,678.00	303,678.00	303,678.00
Bond Issue	\$31,455,000.00	\$31,545,000.00	\$31,545,000.00
Debt Service Pymt FY12/13	\$1,908,230.00	\$1,941,382.50	\$1,941,382.50
Incremental Cost Difference	Base	\$33,152.50	\$33,152.50

* A local authority would have annual administrative expenses, which have not been factored into the calculation.

** A local authority and SPSBA annual payments are calculated assuming approximately a 10 basis point premium resulting from higher interest cost associated with selling revenue bonds vs. direct general obligation bonds.

* STATE REIMBURSEMENT

The State reimburses a School District for a portion of the principal and interest which the School District pays each year on its bonds. The amount of reimbursement is determined by two factors – the percentage of the project, determined by the department of Education to be reimbursable, and the School District's market value aid ratio which is computed annually. It is estimated that 20.93% of the Project is reimbursable. The School District's market value aid ratio fraction for the fiscal year 2011-2012 is .8167 and when multiplied results in an "effective" reimbursable percentage of 17.09%. Therefore, for each dollar paid by the School District toward principal and interest, the State will reimburse the School District over seventeen cents.

* PROPERTY TAX IMPACT

The following is a summary of the annual debt service, reimbursement, local effort and millage equivalent of the direct costs of the Project.

	<u>Series of 2011</u>
Annual Debt Service FY 2013-2014	\$ 1,583,762.50
Annual Reimbursement	\$270,665.01
Annual Local Effort	\$1,313,097.49
Millage Equivalent of Annual Debt Service	2.17
Millage Equivalent of Annual Reimbursement	0.37
Millage Equivalent of Annual Local Effort	1.80

Assumes reimbursable costs of \$6,648,620; MVAR percentage of .8167; and the valuation of one mill of Real Estate Taxes at \$730,000.

Note: The Annual Debt Service was calculated based on a 30-year wraparound amortization structure and the reimbursement percentage was provided by the architectural firm.

DEBT SERVICE SCHEDULE

\$31,455,000 New McKeesport Elementary School Project

FY	Principal	Coupon	Interest	Capitalized Interest	Total P+I	Local Effort
2012	-	-	201,739.71	(201,739.01)	-	-
2013	5,000.00	0.90%	1,578,810.00	(1,350,861.99)	227,948.01	188,991.70
2014	5,000.00	1.00%	1,578,762.50		1,583,762.50	1,313,097.49
2015	5,000.00	1.15%	1,578,708.75		1,583,708.75	1,313,052.92
2016	5,000.00	1.50%	1,578,642.50		1,583,642.50	1,312,998.00
2017	5,000.00	1.90%	1,578,557.50		1,583,557.50	1,312,927.52
2018	5,000.00	2.15%	1,578,456.25		1,583,456.25	1,312,843.58
2019	5,000.00	2.50%	1,578,340.00		1,583,340.00	1,312,747.19
2020	5,000.00	2.90%	1,578,205.00		1,583,205.00	1,312,635.27
2021	5,000.00	3.20%	1,578,052.50		1,583,052.50	1,312,508.83
2022	5,000.00	3.40%	1,577,887.50		1,582,887.50	1,312,372.03
2023	5,000.00	3.60%	1,577,712.50		1,582,712.50	1,312,226.93
2024	5,000.00	3.80%	1,577,527.50		1,582,527.50	1,312,073.55
2025	5,000.00	3.95%	1,577,333.75		1,582,333.75	1,311,912.91
2026	5,000.00	4.15%	1,577,131.25		1,582,131.25	1,311,745.02
2027	5,000.00	4.25%	1,576,921.25		1,581,921.25	1,311,570.91
2028	5,000.00	4.30%	1,576,707.50		1,581,707.50	1,311,393.69
2029	5,000.00	4.35%	1,576,491.25		1,581,491.25	1,311,214.40
2030	5,000.00	4.45%	1,576,271.25		1,581,271.25	1,311,031.99
2031	1,855,000.00	4.55%	1,533,958.75		3,388,958.75	2,809,785.70
2032	5,000.00	4.65%	1,491,641.25		1,496,641.25	1,240,865.26
2033	5,000.00	4.75%	1,491,406.25		1,496,406.25	1,240,670.42
2034	5,000.00	4.80%	1,491,167.50		1,496,167.50	1,240,472.47
2035	5,000.00	4.90%	1,490,925.00		1,495,925.00	1,240,271.42
2036	3,070,000.00	4.95%	1,414,820.00		4,484,820.00	3,718,364.26
2037	3,225,000.00	5.00%	1,258,212.50		4,483,212.50	3,717,031.48
2038	3,390,000.00	5.05%	1,091,990.00		4,481,990.00	3,716,017.91
2039	3,570,000.00	5.05%	916,250.00		4,486,250.00	3,719,549.88
2040	3,755,000.00	5.05%	731,293.75		4,486,293.75	3,719,586.15
2041	3,950,000.00	5.10%	535,755.00		4,485,755.00	3,719,139.47
2042	4,155,000.00	5.10%	329,077.50		4,484,077.50	3,717,748.66
2043	4,375,000.00	5.10%	111,562.50		4,486,562.50	3,719,808.97
	31,455,000.00		42,490,318.46	1,552,601.00	72,387,716.76	60,016,655.98

* INDIRECT PROJECT COST ESTIMATES

The following assumptions were utilized in the indirect cost calculation relating to the McKeesport Elementary/ Intermediate School Project.

1. 126,000 square feet of architectural area
2. Planned building FTE - 875
3. Closing of three District elementary schools

Personnel

Professional Staff:

It is anticipated that three K – 6 Elementary/ Intermediate Schools will be established. No additional students beyond those already enrolled are anticipated and it is assumed that no new teaching positions would need to be created as a result of this realignment.

Non-Professional Staff:

Custodians: It is assumed that future custodial needs can be met by modifying some duties of current custodial staff. No additional personnel costs are anticipated as a result of this project.

Food Service: Additional staff will need to be added at Cornell as a result of this project, however, any increase is expected to be offset by reduction from the closed elementary schools.

Transportation: No additional costs are expected

Cleaning Material and equipment

It is estimated that the overall cost of cleaning materials is on average \$.30 per square foot. Any increases in cost based on the additional square footage added to McKeesport Elementary/ Intermediate School should be offset by the closing of the elementary schools. No additional equipment costs are anticipated.

Utilities

Additional cost of natural gas, water, electricity and sewage is expected to be more than offset by reductions realized from the planned closure of three District elementary schools.