District: Hamilton-Wenham Regional School District
School Name: Cutler Elementary School
Recommended Category: Project Scope and Budget
Date: February 19, 2025

Recommendation

That the Executive Director be authorized to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the Hamilton-Wenham Regional School District (the "District") to consolidate the student population of the existing Cutler Elementary School and Winthrop Elementary School and construct a new facility serving grades 1-5 on the site of the existing Cutler Elementary School.

It should be noted that the proposed site development associated with the District's proposed project requires a lease agreement extension. Therefore, the MSBA Board's authorization to enter a Project Scope and Budget Agreement and a Project Funding Agreement, will be conditioned upon the District meeting the MSBA requirements for land use requirements.

District Information	
District Name	Hamilton-Wenham Regional School District
Elementary School(s)	Winthrop Elementary School (PK-5) Bessie Buker Elementary School (K-5) Cutler Elementary School (K-5)
Middle School(s)	Miles River Middle School (6-8)
High School(s)	Hamilton-Wenham Regional High School (9-12)
Priority School Name	Cutler Elementary School
Type of School	Elementary School
Grades Served	K-5
Year Opened	1951
Existing Square Footage	45,800
Additions	1989 Whittier Wing addition, housing kindergarten and the gymnasium
Acreage of Site	11.5 acres
Building Issues	The District identified deficiencies in the following areas: – Mechanical systems – Electrical systems – Boiler systems – Accessibility In addition to the physical plant issues, the District reported that the existing facility does not support the delivery of its educational program.
Original Design Capacity	Unknown
2024-2025 Enrollment	246 students
Agreed Upon Enrollment	740 students
Enrollment Specifics	The District and MSBA have mutually agreed upon a design enrollment of 740 students serving grades 1-5.
Debt Exclusion Anticipated	Yes

MSBA Board Votes	
Invitation to Eligibility Period	March 2, 2022
Invitation to Feasibility Study	December 21, 2022
Preferred Schematic Authorization	August 28, 2024
Project Scope & Budget Authorization	On February 26, 2025 Board agenda
Reimbursement Rate Before Incentives	45.52%
Incentive Points	1.76 – Maintenance 3.00 – Energy Efficiency – "Green Schools" [1] 1.00 – Indoor Air Quality – "Green Schools" [1]
Total Reimbursement Rate[1]	51.28%

[1]*The MSBA has provisionally included three (3) incentive points for energy efficiency, and one (1) incentive point for indoor air quality, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements of the Green Schools Program, the District will not qualify for some or all of these incentive points, and the MSBA will adjust the reimbursement rate accordingly.*

Consultants	
Owner's Project Manager (the "OPM")	PMA Consultants, LLC
Designer	JCJ Architecture

Discussion

MSBA staff reviewed the documents provided by the District and met with the District and its consultants to discuss scope and budget. The District has provided a Total Project Budget of $142,266,034, which includes an estimated construction cost of $108,493,509 ($861/sq. ft.). The Estimated Basis of Total Facilities Grant would be $96,303,491, which excludes the following: legal fees; OPM and Designer fees beyond MSBA funding limits; costs associated with other administrative costs; costs associated with asbestos-containing floor material and ceiling tile abatement; costs associated with the removal of fuel storage tanks; construction costs for building and site work beyond MSBA funding limits, which includes scope associated with ineligible building area; costs associated with alternates included in the total project budget; costs associated with mailing and moving; costs exceeding the $1,200 per student allowance for furniture, fixtures, and equipment; costs exceeding the $1,200 per student allowance for technology; costs associated with the commissioning of ineligible building area; and, owner's and construction contingency costs.

Additionally, the proposed demolition of the Cutler Elementary School will result in the MSBA recovering a portion of state funds previously paid to the District for a roof replacement project (#201206750010) and a repair project (#200806750010) at the Cutler Elementary School, completed in April 2014 and March 2012. Additionally, the proposed project will result in the closing of the existing Winthrop Elementary School which will result in the MSBA recovering a portion of state funds previously paid to the District for the windows, doors, and boiler project (#201306750015), completed in September 2015. The MSBA has calculated this recovery of funds to be $433,283 and this amount has been deducted from the Estimated Maximum Total Facilities Grant and the Maximum Total Facilities Grant.

Project Scope and Budget Agreement

Enrollment: 740 Proposed Total Square Feet: 127,300	District's Proposed Project Budget
Project Budget[1]	$134,213,232
Scope Exclusions/Ineligible Costs	-$37,909,741
Third Party Funding	-$0
Estimated Basis of Total Facilities Grant	$96,303,491
Reimbursement Rate	51.28%
Estimated Maximum Total Facilities Grant before Cost Recovery[2]	$49,384,430
Commissioning Costs Associated with Ineligible Building Area	-$6,333
Cost Recovery Associated with Prior Projects	-$433,283
Estimated Maximum Total Facilities Grant[2]	$48,944,814
Owner's and Construction Contingencies	$8,052,802
Ineligible Owner's and Construction Contingencies	-$6,425,399
Potentially Eligible Owner's and Construction Contingencies	$1,627,403
Potential Additional Grant Funds for Eligible Owner's and Construction Contingency Expenditures	$834,532
Total Project Budget	$142,266,034
Maximum Total Facilities Grant[3,4]	$49,779,346

[1]*Does not include Owner's or Construction Contingencies.*
[2]*Does not include any grant funds for potentially eligible Owner's or Construction Contingency Expenditures; subject to MSBA review and audit.*
[3]*Includes maximum possible Owner's and Construction Contingency grant funds, the final amount of which, if any, shall be determined by the MSBA in its sole discretion. The MSBA does not anticipate that the District will expend all of its contingency funds on expenses that are eligible for MSBA reimbursement.*
[4]*Maximum Total Facilities Grant will be allocated in part to the current Grant Cap, and in part to future available Grant Cap space.*

MSBA staff recommends an Estimated Maximum Total Facilities Grant of $48,944,814; however, the District may be eligible for up to an additional $834,532 in grant funds, subject to the MSBA's review and audit of the District's owner's and construction contingency expenditures. Accordingly, staff recommends a Maximum Total Facilities Grant of $49,779,346 for the Project Scope and Budget Agreement and Project Funding Agreement to consolidate the student population of the existing Cutler Elementary School and Winthrop Elementary School and construct a new facility serving grades 1-5 on the site of the existing Cutler Elementary School, which said MSBA Board authorization shall be conditioned upon the District fulfilling the MSBA requirements for land use requirements.