MEMORANDUM

TO: Board of Directors
FROM: James MacDonald, First Deputy Treasurer, Chief Executive Officer
John K. McCarthy, Executive Director, Deputy Chief Executive Officer
DATE: August 21, 2019
RE: Bristol County Agricultural Regional School District
Bristol County Agricultural High School
Reimbursement Rate and Renovation Points

Pursuant to G.L. c. 70B, § 10, the Massachusetts School Building Authority ("MSBA") calculates grant percentages for approved school projects based on a formula using several factors, one of which is the Renovation or Reuse of an Existing Facility. The Authority, in its sole discretion, may allocate up to five incentive percentage points (5%) for an Approved Project if the project is a renovation of an existing facility that requires no new construction. The Authority may award an amount less than said five percent for an Approved Project which has a combination of renovation of an existing facility and the building of some additional square footage for new educational space, based on a sliding scale that relates the percentage of renovated space to the percentage of newly constructed space.

The MSBA and the Bristol County Agricultural Regional School District (the "District") have executed a Project Funding Agreement (the "PFA") for additions/renovations and new construction of various buildings at the Bristol County Agricultural High School Campus. The Maximum Total Facilities Grant, approved by the MSBA Board of Directors at the June 27, 2018 Board meeting, is $53,286,797, which is based on a reimbursement rate of 63.24% including 2.31 Major Reconstruction or Reno/Reuse incentive points. The incentive points were calculated using the ratio of renovated or existing to remain total square footage, 90,540, to total square footage, 196,151, as approved in the schematic design. The total square footage of 196,151 was also applied to the Reimbursable Construction Cost Cap ($333/sq. ft.) calculation resulting in an eligible construction budget of $67,566,787.

In completing its design development submittal, the District notified the MSBA that it combined the Landscape Lab and Arbor Bucket Truck/Chain Saw Lab into one new building. In the approved scope of the PFA, the Landscape Lab was intended to remain with renovations while the Arbor Bucket Truck/Chain Saw Lab was intended to be built new. Based on the space summaries provided in the schematic design and the design development submittal, this revision reduced the amount of square footage that will be renovated in the project from 90,450 to 84,466 and reduced the total square footage from 196,151 to 196,081. The revision results in the Major Reconstruction or Reno/Reuse incentive points being adjusted downward from 2.31 points to 2.10 points and the Reimbursable Construction Cost Cap ($333/sq. ft.) calculation to adjust the eligible construction budget downward from $67,566,787 to $67,543,477.

Staff recommend that the Estimated Maximum Total Facilities Grant approved at the June 27, 2018 Board Meeting for the Bristol County Agricultural High School be decreased from $51,428,124 to $51,242,655 and that the Maximum Total Facilities Grant be concomitantly

decreased from $53,286,797 to $53,095,156 based on the space summary revisions which decrease the base rate as adjusted by the Renovation or Reuse of an Existing Facility Factor from 63.24% to 63.03%.

Project Scope and Budget Agreement	
Enrollment: 640 Proposed Total Square Feet: 196,081 (previously 196,151)	District's Proposed Project Budget
Project Budget[1]	$99,970,000
Scope Exclusions/Ineligible Costs	$18,647,856
Estimated Basis of Total Facilities Grant	$81,322,144
Reimbursement Rate – Base Rate of 56.26% plus incentive points	63.03%
Estimated Maximum Total Facilities Grant[2]	$51,242,655
Potentially eligible owner's and construction contingencies	$2,939,078
Potential additional grant funds for eligible owner's and construction contingency expenditures	$1,852,501
Total Project Budget	$103,750,000
Maximum Total Facilities Grant[3, 4]	$53,095,156

[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 to annual cap effective as of July 1, 2018.*

In summary, MSBA staff recommends an Estimated Maximum Total Facilities Grant of $51,242,655; however, the District may be eligible for up to an additional $1,852,501 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 $53,095,156 for the Bristol County Agricultural High School project.