



MEMORANDUM

TO: Directors of the Corporation

FROM: John F. Spencer
Chief Executive Officer

DATE: August 24, 2005

SUBJECT: New Jersey Schools Construction Corporation (SCC)
July Progress Report

SCC MISSION STATEMENT

Create a brighter future for our children by renovating, building and funding cost-effective and efficient state-of-the-art community schools that support high quality learning environments to better prepare students for successful careers and leadership in the 21st Century in New Jersey and beyond.

Partner with communities and leaders in business, education and government to support our programs, policies and projects to create greater opportunities for our children, businesses and workforce.

Introduction

Program highlights in July included an SCC groundbreaking for a Demonstration Project in Union City – the second one to get under way of the six demonstration projects on tap statewide. The SCC also broke ground for a fourth new state-of-the-art school in Long Branch, and held a beam-signing to mark the progress of construction of the new Langston Hughes Elementary School in East Orange. The SCC executed 43 Section 15 grants in July that impacted 38 schools in 14 counties with 23 districts that receive less than 55% of their budget in state aid. These grants supported projects totaling more than \$147 million – with a state share totaling over \$50 million.

Also in July, the SCC Board of Directors approved a Capital Construction Plan recommending the construction of 59 projects with the agency's remaining Abbott funds in an effort to best meet the educational needs of New Jersey's students.

Since inception, SCC has committed support to over 2,700 school construction projects at nearly 1,800 schools, completing \$660 million in health and safety projects at over 350 urban schools. SCC is building early childhood education centers, launching school-

based community revitalization efforts and strengthening the economy by creating employment and business opportunities for companies large and small.



Union City, SCC Break Ground For School Demonstration Project
\$136 Million Community Facility to be Educational, Social and Recreational Focal Point

The second of six state Demonstration Projects got under way July 11th with a groundbreaking ceremony for the new Emerson High School and Union City Athletic Complex, a \$136 million state-of-the-art facility designed to be the cornerstone of revitalization efforts in the heart of this Hudson County city.

The groundbreaking was attended by Acting Governor Richard J. Codey, Mayor Brian Stack, the leadership of the Union City School District, local and state officials, and representatives of the New Jersey Schools Construction Corporation, Summit Redevelopers, who are developing the project, and Epic Management, the construction firm that will build this landmark school.

The 425,000-square-foot new Emerson High School and Union City Athletic Complex - which includes unique rooftop athletic fields and bleachers, will include 66 classrooms to accommodate between 1,400 and 1,700 high school students. The school, which will be

built on the Roosevelt Stadium site, also will feature health screening and child care centers, recreational facilities, a Performing Arts Auditorium that seats nearly 1,000, a 200-space parking garage, and a 12,000-square-foot media center. The school project, targeted for completion in 2008, is being funded by the New Jersey Schools Construction Corporation.



Mayor Brian Stack, who also represents Union City as an Assemblyman in New Jersey's 33rd Legislative District, noted, "I have seen firsthand what hard work, cooperation, and vision can do for a community, and I have seen it here in Union City. The efforts of local, state, and education officials in making this groundbreaking a reality have

been tireless. Their dedication ensures a bright future for the next generation of our city's leaders."

Union City Schools Superintendent Stanley M. Stanger added, "Any construction or renovation project requires vision, commitment, and belief, in this case, that the education of our children is important and our children are important for the future of our country and our community. The groundbreaking for the new Emerson High School and Union City Athletic Complex truly marks a major step forward in shaping the future of Union City."



Jerry Murphy, SCC Chief Operating Officer, remarked, "Through the Demonstration Projects here in Union City and elsewhere throughout the State, we are building community-oriented, 21st century schools that will spur a resurgence of growth and economic revitalization within urban neighborhoods." Murphy noted that the SCC broke ground for the Vineland Demonstration Project in June; other Demonstration Projects are on tap for Camden, Trenton, New Brunswick and East Orange.



SCC, Long Branch Educators Break Ground For \$24 Million Gregory Elementary School

*Major Milestone Marks the Start of Construction
Of 4th New School in Monmouth County City*

New Jersey Schools Construction Corporation representatives joined Long Branch Public School District educators, students, officials and residents at a groundbreaking July 18th for the New Gregory Elementary School. The ceremony was a major milestone, since it marked the start of construction of the 4th new state-of-the-art school to be built by the SCC in the Monmouth County city.

The new school at 201 Monmouth Avenue will accommodate 550 students in pre-Kindergarten through 5th grade. The three-story, 94,000-square-foot school will include 36 classrooms, a media center, auditorium-cafeteria, a community health center, computer lab, science room and music room. The SCC is fully funding and managing the \$24 million school project, which is scheduled for completion in 2007, through the state's \$8.6 billion school construction program.

"These are historic times in Long Branch. Never again will the city see this many schools being built at one time," said Joseph M. Ferraina, Superintendent of Schools.

"Having state-of-the-art schools built for future generations is something that we have concentrated on," Ferraina said, adding that Gregory School will be "virtually identical" to the New Amerigo A. Anastasia School



that recently opened on Seventh Avenue. Construction also is under way on the new Long Branch High School and Middle School. Ferraina noted that land for the Gregory School was secured by the City of Long Branch in conjunction with its lower Broadway redevelopment plan. "Placing a school in that location will be an anchor for the redevelopment efforts of that area," Ferraina said.

"This project is one of those initiatives that we at the SCC believe will be seen as one of the State's best for many years to come. I am really impressed by what has been envisioned for the students and community of the City of Long Branch," said Kellie Drakeford, managing director the SCC's Division of Diversity, Small Business, Government and Community Affairs.

The new school – which will replace the original Gregory Elementary School built in 1924 – was designed by architects Tomaino Tomaino Iamello & Associates, P.A. and is being built by Henderson Corporation; Greyhawk, North America is the project management firm.



SCC, East Orange District Hold 'Beam Signing' At New \$20.5 Million Langston Hughes Elementary School

East Orange School District and New Jersey Schools Construction Corporation held a beam-signing July 21st to mark the progress of construction of the new Langston Hughes Elementary School in East Orange. Students, officials and residents signed their names on a steel beam before it was hoisted into place as a permanent part of the \$20.5 million school. The 92,146-square-foot school for 515 pre-Kindergarten through 5th grade students will replace the existing Langston Hughes School on an adjacent site. The new

school is scheduled for completion in August 2006; the old school, which dates back to 1925, then will be used as swing space.



The new Langston Hughes Elementary School project is being fully funded and managed by the SCC. The architect is NJ K-12, LLC. VRH Construction is building the school under the supervision of Don Todd Associates, the project management firm.

SCC Board Approves Capital Construction Plan

Remaining funds to be used to best meet educational needs of NJ's students

In an effort to best meet the educational needs of New Jersey's students, the New Jersey Schools Construction Corporation Board of Directors approved a Capital Construction Plan on July 27th for the agency's remaining Abbott funds. The plan includes 59 projects that are recommended for construction.

The prioritization process for the project selection contained several checks and balances to ensure fairness and equity. First, a Special Committee of the Board, which included the Department of Education, the Attorney General's Office and the Governor's Office, selected the projects to be included based on certain educational and programmatic criteria, as well as an equitable distribution of funding.

Once the Special Committee selected the projects, the members of the Board's three standing committees reviewed the list of schools. Then, the plan was sent to the full Board today for final approval.

"The overall goal of this process was to allocate the SCC's remaining funds in a fiscally responsible way and to build schools where they are most needed," said Alfred C. Koeppe, Chairman of the Board. "It was appropriate for the Special Committee to address this issue because it required much more than construction judgments. I want to thank the Committee for their time and effort."

Examples of the criteria that the Special Committee used when selecting projects included schools that: were a high priority for the district, address overcrowding or health and safety issues, serve as early childhood centers, are well along in the design or land

acquisition process, or are in districts that have had little progress in their construction program.

The projects included in the Capital Construction Plan are those that are recommended for construction. In order for the SCC to build all of the schools included in the plan, the construction budgets of each school must be met. While the SCC has developed a strict construction budget for each of the projects, unforeseen circumstances may cause the cost of a project to exceed its original estimated amount.

“With improved financial oversight and new internal controls underway, the SCC-to the extent possible-will take every step necessary to ensure that projects stay on budget and that every dollar is spent wisely,” said Koeppe. “These controls, which were put in place as a result of the Inspector General’s review, will allow us to maximize our remaining funds and get more value for the taxpayers’ dollar.”

The list of projects recommended for construction is available on our website.

Construction Starts

During July, the SCC awarded a \$24 million construction package to rehabilitate four schools in the Clark school district in Union County.

As of July 31, 2005, the SCC has entered into construction contracts that total \$2,440,255,233 since the inception of the program.

Contractor Procurement

The SCC advertised one construction package in July impacting one school in the Plainfield district. (Exhibit B)

Design Update

As of July 31, 2005, the SCC has entered into design contracts with a total value of \$366,805,372 and assumed additional architectural assignments worth \$101,971,791.

School District Grants

In July 2005, the SCC executed 43 Section 15 grants with 23 districts receiving less than 55% of their funding in state aid. The grants impacted 38 schools in 14 counties throughout the State. The total project costs for these grants are \$147,202,684, with a state share of that total worth \$50,239,144.

Several districts received multiple grant awards in July. They include The Chathams District in Morris County, which will receive grants for 6 school projects costing a total of \$26,702,000 with a state share of \$6,176,829. Galloway Township District in Atlantic County will receive grants for 4 school projects costing a total of \$4,099,512 with a state

share of \$2,151,095. Montvale District in Bergen County will receive \$1,569,093 in grants for 2 projects totaling \$3,940,733.

From its inception in 2002 through July 31, 2005, the SCC has executed 2,205 Section 15 grant agreements in all 21 counties with districts that receive less than 55% of their budget in state aid. Total project costs amount to \$6,757,612,863, for which the state share totaled \$2,100,405,123. In 2005 alone, 147 districts in 21 counties have been earmarked for \$449,346,841 in direct property tax relief as the state share of project costs that totaled \$1,370,105,443.

Division of Diversity, Small Business, Government And Community Affairs

The Schools Construction Corporation Division of Diversity, Small Business, Government and Community Affairs is dedicated to increasing the availability and accessibility of construction opportunities for small, women, and minority-owned businesses, and to individuals and their families in New Jersey. In some instances this means working with other State agencies and departments to serve our target population. In others, it is working with our project management firms (PMF) and other internal SCC divisions to encourage business opportunities and equal employment

opportunities in the school construction program. The Division of Diversity, Small Business, Government and Community Affairs works to ensure diversity within its organizational framework, and we expect firms that do business with the SCC to also support diversity within their ranks and in their hiring. At every opportunity we endeavor to communicate and promote the use of New Jersey's diverse business and workforce communities on SCC projects.



For further information about how you can participate in the SCC's efforts to build a better New Jersey, contact Kellie Drakeford, Managing Director of the Division, at (609) 292-1680, or visit our website at www.njscc.com.

Conferences/Presentations

Cleveland School Community Presentation, 7/7/2005, Orange

Groundbreaking for Union City Demonstration Projects, 7/11/2005, Union City

Orange School Facilities Meeting, 7/12/2005, Orange

Groundbreaking Ceremony for New Gregory Elementary School, 7/18/2005,
Long Branch

Langston Hughes E.S. Beam Signing Ceremony, 7/21/2005, East Orange

John F. Spencer

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Attachments

Construction Award Status Report

<u>District</u>	<u>Schools</u>	<u>Description of Work</u>	<u>Contract Award</u>	<u>Notice to Proceed</u>
Clark	Frank K. Hehnly E.S. Carl H. Kumpf M.S. Arthur L. Johnson H.S. Valley Road E.S.	Renovations and additions which will include new electrical services, new HVAC systems with removal of all old equipment and support infrastructure, new doors, hardware, ramps, lifts, etc. will be provided to meet ADA guidelines, additional storm drainage, new walkways and parking areas and a new one story power plant with high efficiency boilers, electrical switch gear and emergency generator.	\$24,080,000.00	7/20/2005

Construction Bid Advertising and Bid Due Dates as of August 24, 2005

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