

## March 2001 Monthly Report

### Introduction

Implementation of the school construction program proceeded in earnest during the month of March. NJEDA continued to develop its program policies and procedures while also coordinating its responsibilities with the other State entities that have a role in implementing the school construction program. Financing, procurement of professionals, prioritization of Abbott health and safety and first-year construction projects, as well as providing space for early childhood enrollment, all proceeded along parallel tracks. A grant agreement is being finalized so that funding of non-Abbott projects can begin. In short, it was a month of tremendous progress.

The following are specific highlights of our activities.

1. [\\$500M in Bonds Sold](#)
2. [Predevelopment Procedures Formalized](#)
3. [Early Childhood Program Planning](#)
4. [Abbott Facilities Projects Identified](#)
5. [Abbott Health & Safety Projects Advance](#)
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#### I. **\$500 Million In State Contract Bonds Sold**

On April 2, 2001, the NJEDA reached another milestone when it issued \$500 million in School Facilities Construction Bonds, 2001 Series A. The rate of interest payable on the bonds ranges from 4 percent to 5.5 percent, depending on their date of maturity. The proceeds from the bond sale will finance construction in the Abbott school districts and will also be disbursed as grants for the State's share of financing for school facilities projects in the non-Abbott districts.

The bond financing is a significant step forward for the school construction program. A lawsuit was filed on December 28, 2000 in the Superior Court of Bergen County, Lonegan, et al. v. State of New Jersey, et al., challenging the constitutionality of the NJEDA's issuance of State contract bonds without prior voter approval. On March 9, 2001, the Plaintiffs sought injunctive relief in the Appellate Division asking that the NJEDA be restrained from issuing bonds before the underlying constitutional issue has been resolved. On March 26, 2001, the Appellate Division denied the injunctive relief sought by Plaintiffs. Thus, NJEDA was able to proceed with the first bond financing for the school construction program.

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#### II. **Program Procedures for Predevelopment Activity Formalized**

NJEDA staff from the Real Estate, Design and Construction, and the Policy and Communications Divisions worked collaboratively with the Department of Education (DOE) and the Attorney General's Office to finalize the program procedures for predevelopment activities. These procedures have been approved by the Division of Law, and have been forwarded to the DOE for a final review for consistency with DOE regulations. All predevelopment work for Abbott Districts will be undertaken and paid for by the NJEDA and includes the following activities:

- A. site analysis, site acquisition, site remediation and development;
- B. in connection with developing applications for specific school facilities projects, engagement of architectural and engineering firms for educational specification and schematic design work and feasibility studies preliminary to school facilities project

approval; and,

- C. acquisition of temporary classroom units needed for swing space and other purposes by the districts in connection with pending projects.

The predevelopment procedures and the specific responsibilities of school districts related to predevelopment activity will be disseminated shortly to all school districts required to use the NJEDA for their facilities projects.

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### III. Planning Proceeds for Early Childhood Classroom Space

#### A. Request for Proposals (RFP) Issued

On March 28, 2001, the NJEDA issued an RFP for the manufacture, delivery and installation of 230 temporary classroom units (TCU's) to be installed in Abbott school districts by September 1, 2001. The TCU's will provide the necessary space to implement full day, early childhood programs in the Abbott school districts. In addition, the RFP has been drafted with sufficient flexibility to allow for an increase in the number of units if the DOE approves more. The NJEDA intends to award these contracts by May 1, 2001 to one or more firms in packages of 25 or more TCU's.

#### B. NJEDA Selects Architects for TCU Site Evaluations

On March 29, 2001, a forum was held at the NJEDA headquarters in Trenton to brief Abbott districts and architectural/engineering firms on the scope of services necessary for TCU site evaluation work. Architects engaged by the NJEDA will identify specific sites, locate the existing utility locations and provide schematic site plans indicating the classroom locations on designated sites. The NJEDA's contract outlining the terms and conditions for this engagement, the "Professional Services Consultant Agreement," was disseminated to architectural/engineering firms attending the March 29th meeting.

Architectural/engineering services for each of the Abbott districts' TCU site evaluations are estimated to be less than \$25,000. Therefore, under NJEDA's procurement policies for professional design services, NJEDA may award these contracts directly instead of through a competitive procurement process.

- C. Community Provider Early Childhood Projects The Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the Departments of Human Services (DHS) and Education (DOE) to allow DHS to serve as NJEDA's agent in overseeing the grant administration and the construction activities to be undertaken by non-profit community providers.

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### IV. First year Abbott Facilities Projects Identified

Over the course of the month, NJEDA's Divisions of Design and Construction and Policy and Communications, together with the Department of Education met with approximately 25 Abbott districts to prioritize their first year facilities projects. The districts identified priority projects, and the DOE and the NJEDA reviewed the necessary procedures and the parties' respective responsibilities for predevelopment activities and project applications in order to initiate these projects.

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### V. Abbott Districts' Health and Safety Projects Advance

#### A. Third Round of RFP's Issued

RFP's for professional design services for seven health and safety packages with estimated costs of construction of approximately \$16 million were issued on March 8, 2001. The deadline for proposals to be submitted to the NJEDA is April 6, 2001.

- B. **Construction Inspection Procedures Formalized**  
On March 28, 2001, NJEDA staff from the Divisions of Design and Construction and Procurement, met with key staff from the Department of Community Affairs to outline the processes and procedures for DCA inspections of design and construction work on NJEDA-managed facilities projects.

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VI. **Grant Agreement Approved by Attorney General**

The Agreement between the NJEDA and non-Abbott school districts, which outlines the terms and conditions for grant funding is being finalized. Following several meetings during the month of March with NJEDA staff and legal staff from the Division of Law, the Agreement was approved by the Attorney General and then circulated to education bond counsel for their confidential review and input.

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VII. **NJEDA Leases Additional Space for Schools Program**

Due to the staffing needs anticipated for NJEDA's School Finance and Construction Department, and the accelerated time frame in which the program is progressing, negotiations are underway to lease a second floor at One West State Street.

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VIII. **Presentations by NJEDA Staff**

Presentations concerning the NJEDA's implementation of the school construction program were made at the following events:

University of Medicine and Dentistry of New Jersey March 12, 2001, Presentation before University Heights Science Park Board of Directors on NJEDA coordination of High School Project.

Conference: Designing and Financing High Performance School Facilities in NJ March 13, 2001, Douglass College Center, New Brunswick, NJ  
Presentation focused on energy efficiency and sustainability in school design.

American Association of Architects Edu-Tech 2001 Conference  
March 22, 2001, Princeton Marriott Hotel, Princeton, NJ  
Keynote address provided overview of school construction program.

Society for Marketing Professional Services  
March 22, 2001, New Jersey Performing Arts Center, Newark, NJ  
Presentation on how the school construction program will impact economic development in the City of Newark.

Human and Civil Rights Association  
March 22, 2001, East Brunswick, NJ  
Presentation on the School Facilities Program initiative on Affirmative Action Abbott Implementation Assembly Advisory Committee  
March 26, 2001, State House, Trenton, NJ  
Presentation on NJEDA's implementation of School Construction Program.

Urban Mayors, Superintendents and School Board Presidents Conference  
March 29, 2001, Thomas Edison State College, Trenton, NJ  
Staff moderated panel on community schools.

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IX. **NJEDA Website**

Finally, NJEDA's website now includes professional contract awards and the website is also linked to the State of New Jersey's portal for the School Construction Program

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Prepared by Barbara J. Bohi, April 10, 2001