Measure T Bond Program Implementation Update

South San Francisco Unified School District

Board of Trustees Meeting March 23, 2023

Agenda

- Overview
- Getting started: Sale of a Portion of the Bonds
- Bond Financing Process
- Bond Requirements: Citizen's Bond Oversight Committee
- Measure T Implementation Phase
- Program Implementation: Staffing and Management Plan
  - Request for Qualifications and Proposals Program & Project Management
- Initial review of Priority Bond Projects
- Project definition, design/construction and program schedule development
- Questions

Overview

- On June 23, 2022, the school board voted to place a bond measure on the November 8, 2022 ballot
- Measure T was approved by closed to 64% of the votes
- Results of the November 8th election was certified on December 8
- The school improvement bond measure would provide an estimated $436 million in bond funds
- Funds for much needed facility improvements, including the construction of affordable housing for teachers and staff

Overview

- There are a few legal/administrative steps the District must take after the election
- Adopting of Debt Policy (Already updated)
- Resolution Declaring the Election Results (Completed 3/9/23)
- Resolution Authorizing the Series 2023 Bonds and Authorizing Staff to Take the Necessary Steps to Complete the Financing (Completed 3/9/23)
- Resolution Adopting Citizen’s Oversight Committee Bylaws (TBD)

Sale of a portion of the Bonds

- The law does not allow the district to issue and sell the entire $436 million of bonds at once
  - Bond sales scheduled to respect tax rate limitation of $60/$100,000
  - Bond sales scheduled to complete facility projects within a 3-year timeframe
- Staff has determined to issue and sell the $436 million of bonds into three series:
  - First Series - $150 million in 2023
  - Second Series -$150 million in 2026
  - Third Series - $136 million in 2029
- Depending on how quickly projects are completed, these years may be adjusted

Bond Financing

- The financing process to issue bonds is approximately 3-4 months
- Staff started the process in January 2023 and will complete the financing at the end of April 2023
- The steps include:
  - Complete drafts of bond resolutions, Preliminary Official Statement (POS) and other legal documents
  - Submit credit packages and financial information to credit rating agency
  - Presenting to credit rating agency
  - Received rating from credit rating agency
  - Price bonds
  - Print and mail final Official Statement (OS) to investors
  - Sale of bonds
  - Close bond issuance

Citizen's Bond Oversight Committee

- Measure T requires the District to form a Citizen's Bond Oversight Committee ("CBOC")
- Resolution adopting CBOC bylaws within 60 days of election certification
- The District also must seek volunteers to serve on the Measure T Citizen's Bond Oversight Committee
- The purpose of this committee is as follows:
  - To actively monitor all projects and expenditures approved by the voters
  - To provide proper oversight and accountability to ensure that Measure T funds are used as they were intended
  - To report to members of the community on the progress of Measure T projects

Citizen's Bond Oversight Committee

- The Citizen's Bond Oversight Committee consists of a minimum of seven members including one representative from each of the following groups:
  - Active member of a business organization
  - Active member in a senior citizens' organization
  - Active member in a bona fide taxpayers' organization
  - Parent or guardian of a child enrolled in the District
  - Parent or guardian of a child enrolled in the District and active in a parent-teacher organization
- Members normally serve a term of 2 to 3 years
- Size of the committee to be determined
- No employee, official, vendor, contractor or consultant of the District is allowed

Citizen's Bond Oversight Committee

- The Committee only acts in an oversight capacity on all bond related projects and expenditures
- The Committee has:
  - No authority to participate in bond sale or issuance
  - No authority to set projects or determine how bond funds are spent
  - No authority to participate in the bid process for contractors or consultants
  - No authority to contact contractors or consultants
  - No authority to "inspect" construction projects without permission of the District

Measure T Implementation Phase

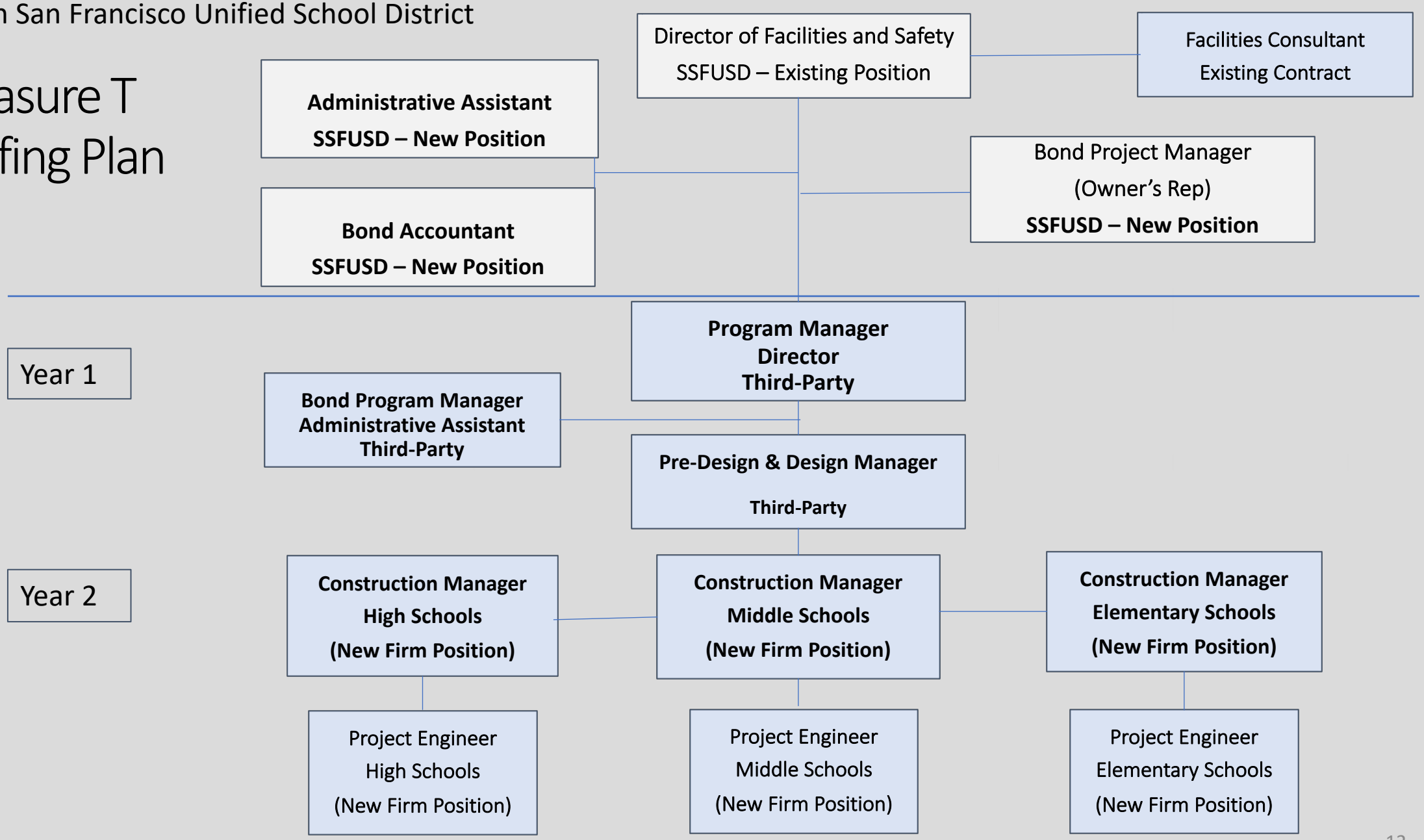
- District is taking the first steps to build a successful Measure T Program
- Staffing plan for District team and third-party support
- Website development for outreach and communication
- Initial Pre-Qualification process for Contractors
- Beginning to outline priority projects and develop a District process for Community and Board input

Measure T Implementation: Staffing Plan

- In order to support a bond program of this size we will need to develop District team and third-party support team
- District in-house staffing
  - We have an experienced Director of Facilities in place!
  - Need to add: District Project Manager (“owners rep”)
  - Need to add: Administrative and Bond Accounting support staff
- Consultant, third-party staff
  - Program and Project Management Team
  - Construction Management Teams
- Preliminary proposed staffing plan, develops over next 2 years

South San Francisco Unified School District

Measure T Staffing Plan



Program Implementation: Staffing

- District is preparing to issue a Request for Qualifications & Proposals ("RFQP") for third-party consultant support team
  - Anticipate two-month process with Board approval in May
- Select a Program and Project Management Team
- This team will be critical in the Measure T Implementation
  - Program Manager: Director level position
  - Project Manager: Pre-Design and Design Management
  - Administrative Support
- As the Measure T projects begin, we will need to add
  - Construction Managers for assignment to active projects
  - At Elementary, Middle and High Schools
  - Other key large projects—example, Workforce Housing

Initial Review of Priority Bond Projects

- **Keep focus on fundamental campus upgrades from Facilities Master Plan**
- Site Infrastructure—sewer, storm drainage, domestic/fire water, gas, electrical systems
- Site Safety—access systems, additional security cameras, fencing/gates
- Building envelope—roofing, gutter/downspouts, windows, exterior walls
- HVAC systems—replacements for ventilation, comfort, energy efficiency
- Building interiors—lighting replacements, flooring, ceilings, walls
- Site work—ADA compliance, playgrounds, fields, parking/drop-off

Code Upgrade requirements a focus our basic work—including seismic evaluations for structural safety.

Initial Review of Priority Bond Projects

- **Educational Program priorities from Master Plan**
- Parity among sites
  - Complete remaining Elementary Library/Exploratorium projects
  - Middle School Gyms at remaining sites
- Replacement of buildings beyond useful life
- Classroom modernizations at our oldest buildings
- High School Visual and Performing Arts Theater upgrades
- District-wide Projects—Central Kitchen Upgrades
- District-wide Projects—Technology Upgrades

Restart the planning process for our Workforce Housing project—long, complex project to implement.

Next Steps: Developing Priority Projects

- Update Facilities Master Plan with focused Site Assessments
- Site and Community Input
- Initial project definition—timing, scope
- Board review and approval of initial priority projects at sites
- Then each project goes through Design and Construction phases
- A complex, multi-layered process

Project Development Phase

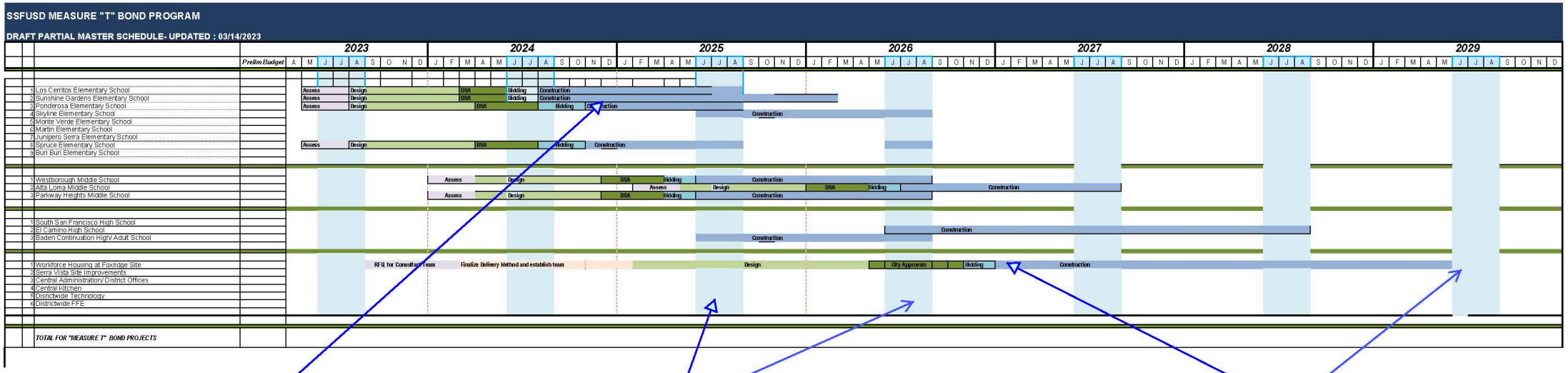
Each proposed project at our sites goes through a focused development process

Project Team	Project Assessment	Site & Community Input	Define Scope	Confirm Costs	Board Project Approval
Program Mgr. Project Mgr. Architect Engineers District Staff M&O teams	-Engineering Studies -Site Survey -Haz. Materials -Systems Assessments -Building Evaluation -ADA Compliance -Safety, Security -	-Stakeholders—Teachers, Staff, Parents (Students!) -Site Facilities Committee—Community Members	-Develop Projects based on assessment priorities -DSA Initial Review -Schedule work -Site impacts -Transitional housing	-Cost estimates -Program funding cash flow -Develop final project budget -Site budget	-Board initial review in workshop setting -Consider project priorities -Review projects in Program -Approve Program Implementation Plan

Project Design and Construction Phases

- K-12 Public School Design & Construction
- Typical Projects take over a year for Design and Approval
  - Even longer for major projects
- Construction process and timing varies widely depending on project type/size
  - Typical Classroom wing full modernization 12-18 months
  - Major new buildings 18-24 months
- We will have a variety project types in design and construction every year
- Over the life of our anticipated 8-year program

Master Schedule Challenges & Opportunities



Limited number (3-5) Modernization projects per year is the basis of the Master Schedule

Goal is to untilize two summers and the year in-between to limit costs on Interim Housing and disruption to sites

Workforce Housing project may take anywhere from five to six years for programming through construction and occupancy as in Jefferson UHSD

Developing our Program Master Schedule will include consideration of a balance of priority projects at Elementary, Middle and High Schools. District-wide projects will be included at each stage.