

**MEMORANDUM**

TO: Members of the Authority

FROM: Larry Hanover, Senior Public Information Manager

DATE: July 8, 2009

SUBJECT: New Jersey Schools Development Authority (SDA)
June Progress Report

Introduction:

Governor Jon S. Corzine returned to Newark's Oliver Street School on June 3, acknowledging a milestone reached by New Jersey's school construction program on replacing the antiquated structure where the Governor signed legislation authorizing \$3.9 billion in new statewide funding. The event marked the start of SDA demolition work to clear the site for the replacement school for Oliver Street, constructed in 1869 and among six schools in Newark's Ironbound that are at least 100 years old.

This was the Governor's third visit to Oliver Street. In May 2008, he led a tour of the school to illustrate the need for additional funding for new and renovated schools across New Jersey. He returned on July 9, 2008 to sign the legislation authorizing those funds.

"The Oliver Street School project is the essence of this administration's commitment to ensuring that our children have safe and appropriate educational facilities in which to learn and thrive," Governor Corzine said. "When I visited the school last year, I saw hallways and storage closets being used as classrooms. Once this new building is completed, students will have access to an efficient and modern learning environment."

The funding legislation authorized \$2.9 billion for construction in SDA Districts. The SDA manages and fully funds projects in these districts. The legislation also authorized \$1 billion for projects in Regular Operating Districts. These projects, managed by the local district, receive funding of at least 40 percent of eligible project costs, with the remaining share coming from local communities, contingent on budget or referendum approval.

The school construction program is central to the state's effort to mitigate the effects of the national recession. For 2009, the SDA has accelerated projects to advance Governor Corzine's Economic Assistance and Recovery Plan to spur the economy and generate jobs. Including Oliver Street School, the SDA will begin preliminary or full construction of 27 projects in 2009. Construction on the \$79.3 million Oliver Street School will generate nearly 700 jobs over the life of the project.

"This program is vital for the education of our students as well as for the health of our economy," Governor Corzine said. "The SDA will invest \$1.3 billion in 27 Capital Plan projects in 2009, creating or saving approximately 11,000 jobs over the life of these projects. This type of investment is critical to help New Jersey emerge from the current economic downturn."

"The SDA is doing its utmost to accelerate projects to construction under Governor Corzine's direction to create and save jobs," SDA CEO Kris Kolluri said. "We are focused on delivering safe, affordable schools on time and within budget, meeting the needs of students while providing the accountability that New Jersey taxpayers expect."

The new 143,000-square-foot, 3-story school is planned for 869 students in grades 3 to 8. The design includes an auditorium, cafeteria, gymnasium, media center and more than 40 classrooms.

"Today is another example of the type of groundbreaking leadership needed to advance our school facilities into state-of-the-art buildings," said Dr. Clifford B. Janey, Superintendent of Newark Public Schools. "Investing in our schools is vital to ensuring a vibrant, healthy and safe learning environment for all of our young people. Providing a modern facility for our Oliver Street students creates a strong sense of school and community pride that can be priceless."

General contractor Cap Services Inc. of Belleville is clearing the site for the new Oliver Street School. Demolition of properties is expected to be completed by the end of the summer, with remediation to begin immediately afterward. Construction is scheduled to begin in July 2010, with a September 2012 scheduled opening.

South Street School, Oliver Street's sister school, is advancing on a similar schedule and also is set to open in September 2012. It will have 502 students in grades preK-to-2.

SDA Events:

- June 3: **Community Meeting, Newark:** The meeting provided the community with the progress of construction at the new **Speedway Avenue School**. It was held at Newark's existing Speedway Avenue School.
- June 3: **Community Meeting, Long Branch:** The meeting presented the community with information on demolition and abatement work being done to

prepare for the construction of the new **George L. Catrambone School** (to be built on the site of the existing Elberon Elementary School). The meeting was held at the Board of Education building in Long Branch.

- June 4: **Floor Covering Institute:** Kolluri spoke to the contractors group of the Floor Covering Institute of New Jersey at the Install Symposium. The event was at the PNC Bank Arts Center in Holmdel.
- June 5: **Mercer Chamber of Commerce:** Kolluri addressed the Chamber's Employer Legislative Committee regarding the status of the program and job creation. The event was held at Marsilio's Restaurant in Trenton.
- June 10: **Southern New Jersey Development Council:** Kolluri spoke to the council about SDA's construction forecast. The event was at the DoubleTree Guest Suites in Mount Laurel.
- June 11: **PlanSmart New Jersey Conference:** Kolluri was a panel moderator at the conference on "New Jersey's Stimulus Package: Will Mega-Investments Produce Mega-Results?" His panel dealt with how Boston's "Big Dig" tunnel transformed the city. The event was at the Woodrow Wilson School of Public and International Affairs, Princeton University.
- June 18: **P3 Infrastructure Finance Forum:** Kolluri gave a keynote speech on "New Jersey Schools: Advancing the Concept of a Smart Growth School." He also participated in a panel discussion regarding "P3's: The Next Wave." The Public-Private Partnership event was held at the Hudson Theater, Millennium Broadway Hotel, New York.
- June 18: **Community meeting, Camden:** The meeting provided information about upcoming work involving demolition of the original **Lanning Square School's** slab and removal of an oil tank and oil-impacted soil. The meeting was at the Lanning Square/Fetters School in Camden.

Upcoming Events:

- July 14: **New Jersey State Building & Construction Trades Council, AFL-CIO, Convention:** Kolluri will speak to the Building Trades regarding the status of the school construction program and job creation. The event will be held at Caesars Atlantic City hotel-casino.
- July 15: **Egg Harbor City Elementary/Middle School Beam Signing:** This ceremony will mark the topping-off of structural steel at the Egg Harbor City Elementary/Middle School project. It also demonstrates progress in suburban school construction. This new 61,954-square-foot middle school is designed to house 364 students in grades 4-8. It is scheduled for a September 2010 opening.

Construction Update:

The SDA currently has **19** active construction projects in SDA (formerly Abbott) Districts, **3** active Demonstration Projects and **8** ongoing projects in Regular Operating Districts (ROD). Overall the SDA has completed **604** projects: **46** new schools; **41** extensive additions, renovations and/or rehabilitations; **21** other rehabilitation projects; **354** health and safety projects; **127** SDA District grant projects; and **3** demonstration projects in SDA Districts. In addition, **19** ROD projects managed by the SDA have been completed. The program also has distributed \$2.2 billion in grants, impacting more than **1,400** suburban ROD schools statewide.

Contractor Procurement:

Bids advertised in June included construction of **New Elementary School No. 3, Columbus School**, in **Union City**, and the modification of an existing park and street into a **Park 'n Play** system at **P.S. No. 24 in Passaic**. (Exhibit A)

Construction Contracts:

As of June 30, 2009, the Authority has entered into construction contracts totaling \$3,614,460,706 since the inception of the school construction program in 2002.

Section 15 Grants

This SDA has resumed disbursing Section 15 grants to Regular Operating Districts, representing at least 40 percent of project costs. So far this year, the SDA has executed **47** grant agreements, impacting **42** schools in **27** districts. In June, the SDA executed **27** grants, impacting **25** schools in **19** districts. From its inception in 2002 through June 30, 2009, the SDA has executed **2,612** grant agreements in all 21 counties. To date, **1,435** schools in **474** districts have been impacted by the Section 15 grant program. Total project costs amount to **\$7,110,344,836**, for which the state share totals **\$2,213,969,290**.


Larry Hanover

Construction Bid Advertising and Bid Due Dates as of June 30, 2009

Package	District	Description of Work	# of Schools	Advertised Web Date	Advertised Newspaper Date	Bid Due Date
PA-0019-NO1	Paterson	Modification of existing park into a Park 'n Play system at PS No. 24	1	6/17/09	6/17/09	7/6/09
HU-0012-CO1	Union City	Construction of new Elementary School No. 3, Columbus School, with an underground parking garage	1	6/29/09	6/29/09	7/30/09

Exhibit A