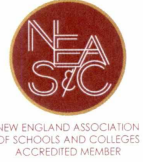


NORTHEAST METROPOLITAN REGIONAL VOCATIONAL SCHOOL DISTRICT

100 HEMLOCK ROAD • WAKEFIELD, MASSACHUSETTS 01880-3597

781-246-0810 • FAX 781-246-4919



August 20, 2021

Saugus Town Council President

298 Central Street

Saugus, MA 01906

Dear Sir or Madam,

RECEIVED
AUG 23 2021
OFFICE OF THE TOWN MANAGER
SAUGUS, MA 01906

Attached hereto is the August 2021 municipal update of our new regional vocational school project with total projects costs and total local costs expected to be finalized within the upcoming weeks. As indicated through prior communications, we will be seeking local community support for this project in the fall of 2021 – prior to Thanksgiving – to ensure a maximum grant award is received from the MA School Building Authority of approximately \$142 million resulting in a local share of approximately \$177 million to be bonded over 30 years to our member communities.

We invite you to attend an important breakfast meeting at Northeast Metropolitan on Thursday, September 9, 2021 at 8:30AM with our Project Team, financial experts, and bond counsel to review progress to date and estimated fiscal impacts on member communities. Our construction plans expand anticipated total enrollment from 1300 students to 1600 students reflecting our limited capacity. We have accepted 340 freshmen students for the fall of 2021 from a pool of over 850 applicants.

Although major fiscal impact to member communities will not be experienced until Fiscal Year 26 due to our proposed construction and borrowing schedule, we need to acquire local support by December of 2021 to ensure our reimbursement rate from MSBA for eligible project costs remains at nearly 77% - an increase of 14% over our current 62.67% approved rate. This increase was the direct result of legislative action in the FY 21 state budget if our project is approved by December 31, 2021. Your support is critical now to minimize local fiscal impact and ensure our students receive exceptional vocational technical education in a modern and safe environment

Our efforts to increase state and federal support for the project will continue. We have joined other regional technical school districts suggesting MSBA correct its reimbursement assumptions to reflect actual costs. We have joined with the Alliance for Vocational Education supporting comprehensive legislation seeking additional state fiscal support to expand and reconstruct vocational districts to serve the 3000 students on waitlist throughout the Commonwealth. And our local Mayors from our Gateway Cities of Revere and Malden and Chelsea's City Manager have joined with other Gateway city leaders seeking \$100 million in American Rescue funds (from the \$5.3 billion Massachusetts is receiving) to minimize local impact. We initiated formal efforts to seek federal support from both Senator Ed Markey and US Representative Katherine Clark over a year ago.

But now is the time for Northeast Metropolitan to acquire local community support of our school modernization plan. Concurrently, we commit to maximize our efforts to seek additional state and federal investment.

I respectfully request your presence at our upcoming breakfast on September 9, 2021 at 8:30AM before our School Board initiates the necessary formal votes to move this critical project forward.

Please email my executive assistant Tyese Kasperek at tkasperek@northeastmetrotech.com to register for our September 9, 2021 breakfast. I look forward to seeing you.

Respectfully

A handwritten signature in blue ink, appearing to read "D. DiBarri", with a stylized flourish at the end.

David S. DiBarri

Superintendent Director

c.c. Deborah Davis, Northeast Metropolitan School Committee Chair and Committee Members

Northeast Metropolitan Regional Vocational School Project (NEMT Project) District Member Update August 2021

Chelsea*Malden*Melrose*North Reading*Reading*

Revere*Saugus*Stoneham*Wakefield*Winchester*Winthrop*Woburn



General Project & MSBA Highlights:

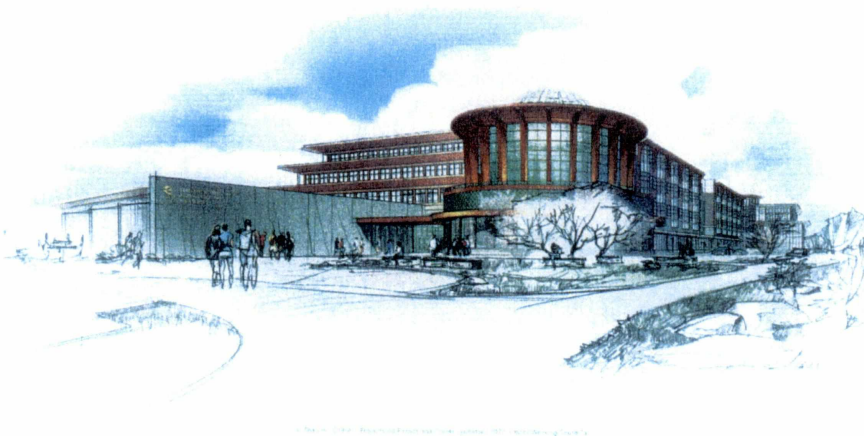
The Northeast Metropolitan Regional Vocational School District School Building Committee ("The SBC"), led by former Superintendent Ted Nickole, is comprised of representatives of all (12) District communities along with members of the School Committee, the Town Manager of Wakefield (the hosting community), and Finance and Advisory Board members. SBC members continued their efforts over the past two months to bring a 21st Century Career Technical Regional High School to the students and District community members. Since the last project update provided in June 2021, the District completed multiple key tasks in the Schematic Design (SD) phase of the Massachusetts School Building Authority (MSBA) process.

Throughout the entire month of June, multiple 3rd party construction cost estimating exercises were performed using the updated SD construction drawings and specifications prepared by DRA, the project's designer. The team is happy to report that despite current market conditions, the team was able to keep the SD estimate under the priorly estimated construction budget of \$243.5M through estimate reconciliation and constructability reviews. While the estimate reconciliation effort was occurring, the project team continued to refine the design of the preferred option in accordance with MSBA SD requirements. Design efforts included finalizing the building massing and overall layout, refining interior spaces after dozens of meetings with staff members to refine shop space layouts, site analyses for structural development, and routing of utilities amongst others.

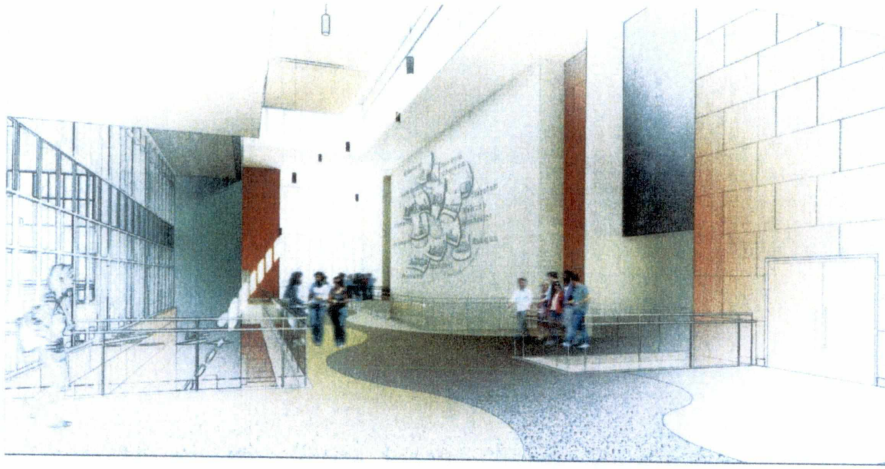
The District submitted the entire SD package to the MSBA on July 7th, 2021. The project team and Superintendent DiBarri had several meetings with the MSBA in July to discuss the reimbursement rate and provided justification for additional reimbursement for areas originally deemed ineligible by the MSBA. The District is pleased to share that the overall MSBA maximum grant has increased by almost \$700k to almost \$140.9M, despite the fact that the project's reimbursement rate has slightly decreased from estimates provided in January. The District anticipates receiving MSBA Project Scope & Budget approval at the 8/25/2021 MSBA Board of Directors meeting and subsequently advancing into MSBA Module #5: Project Scope and Budget and Project Funding Agreements. As a result, the District will face an MSBA deadline of 12/23/2021 to secure local funding.

Design Updates:

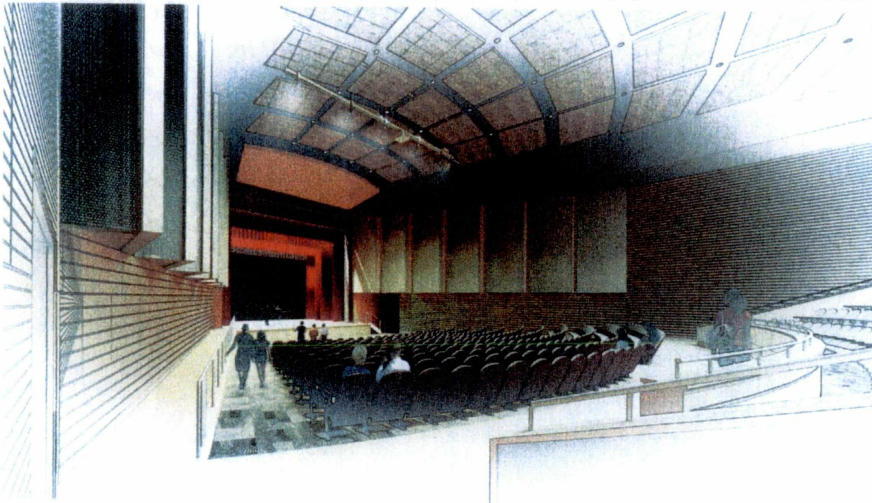
The District is pleased to share the following preliminary renderings of the potential new school:



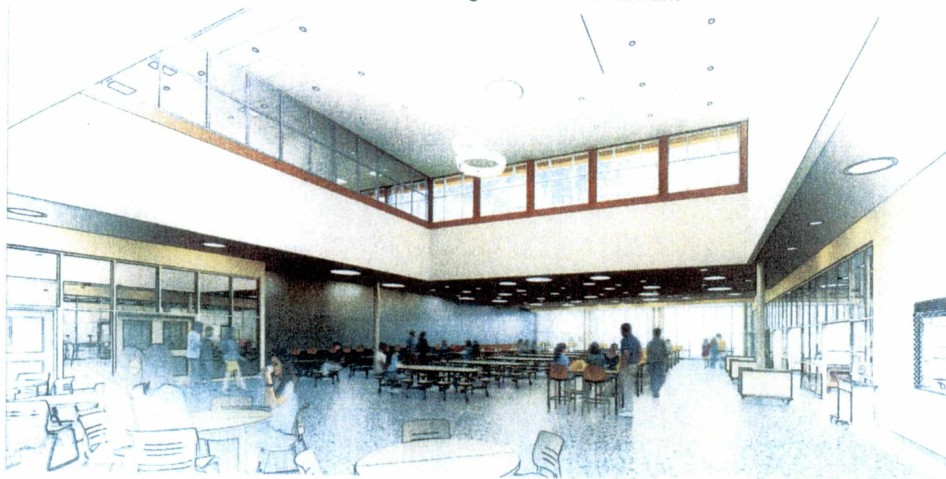
Rendering #1: View entering the site from the new access roadway built off Farm Street.



Rendering #2: Main Lobby area (Graphic has historic image from each District town or City)



Rendering #3: New Auditorium



Rendering #4: Cafeteria

Project Costs, MSBA Reimbursement, and Potential District Share:

Current estimated Total Project Cost: \$317.4M

Current estimated District Share: \$176.6M (with FY'22 approval, see below)

MSBA Reimbursement Rate:

Due to State Legislative Action the Project was able to increase its MSBA reimbursement rate from 62.67% to 76.84% of eligible project costs. The new reimbursement rate assumes the project is approved by December 31, 2021; therefore, the need for local funding approval is critical in the Fall of 2021. If local funding is approved after December 31, 2021 the reimbursement rate may potentially revert back to approximately 62.67%.

MSBA Grant Program:

The MSBA Grant Program includes various limits (referred to as caps) and categorically ineligible costs. Only the project costs that fall within these limits are subject to reimbursement by the MSBA. The most significant MSBA caps include limiting eligible building construction costs to \$360 per square foot, limiting eligible site costs to 8% of direct building costs, and limiting eligible combined Furniture, Fixtures, Equipment, and Technology costs to \$2,400/student.

Potential District Share Analyses:

The following table summarizes the project team's detailed analysis of the potential MSBA Funding and shows the estimated construction cost, estimated total project cost, anticipated maximum MSBA grant, and resulting potential local share for both MSBA reimbursement rate scenarios. The 62.67% rate would be if local funding approval is received AFTER December 31, 2021 whereas 76.84% rate is if local funding is received BEFORE/BY December 31, 2021. As shown, the difference is over \$30M in local funding.

MSBA Reimbursement Rate	62.67%	76.84%
Estimated Construction Cost	\$ 243,591,092	\$ 243,591,092
Estimated Total Project Cost	\$ 317,422,620	\$ 317,422,620
Estimated Max. MSBA Grant	\$ 110,316,143	\$ 140,851,919
Potential Local Share	\$ 207,106,477	\$ 176,570,701

The District is extremely pleased to report the Project has received a maximum grant of almost \$140.9M from the MSBA.

How to Get Involved:

Please visit our project website for updates and new project information at www.Northeastbuildingproject.com

In addition to the project website, please like and share the dedicated project Facebook page to further increase community involvement for the project at <https://www.facebook.com/NewNEMT>

School Committee & School Building Committee meetings can be joined in person at the existing school and are typically held on the second Thursday of each month. The next SBC meeting is 08/19/2021 at 5:30 P.M. Please reach out to us by contacting the office of the Superintendent Director David DiBarri by emailing Tyese Kasperek at tkasperek@northeastmetrotech.com to coordinate a date and time for community presentations.

Project Schedule:

Design Schedule to Date:

MSBA Module #2 Forming the Project Team	MSBA Module #3 Feasibility Study	MSBA Module #4 Schematic Design	MSBA Module #5 Funding the Project
<u>AUGUST 2019</u> OPM Selection	<u>JANUARY 2020</u> Begin Feasibility Study	<u>JANUARY 2021</u> Begin Schematic Design	<u>LATE DECEMBER 2021</u> Local funding approval deadline
<u>JANUARY 2020</u> Designer Selection	<u>AUGUST 2020</u> SBC approves PDP Submit PDP to MSBA	<u>JUNE or JULY 2021</u> SBC approves SD/DESE design package	
	<u>SEPTEMBER 2020</u> SC approves Education Plan	<u>JULY 2021</u> Submit SD/DESE to MSBA MSBA FAS Meeting	
	<u>DECEMBER 2020</u> SBC approves PSR Submit PSR to MSBA	<u>AUGUST 2021</u> MSBA BOD approves project scope & budget	
	<u>JANUARY 2021</u> MSBA FAS Meeting		
	<u>FEBRUARY 2021</u> MSBA BOD approves PSR		

Preliminary Construction Schedule:

The project team will continue to develop and refine the full project schedule for the preferred option with Gilbane to leverage their professional construction experience and optimize the construction sequencing. The following bullets summarize the preliminary schedule that was included in the July 2021 SD submission to the MSBA. This schedule is subject to future refinement but should not change substantially.

- Early site enabling work: Start Summer 2022
- Drawings 100% Complete: Fall 2023
- Construct new school: Summer 2023 – Early 2026
- Demolish existing school: Summer 2026
- Construct new fields/outbuildings: Summer 2026 – Fall 2027