



Report Card

Project Feasibility **A+**
Bond Issue/Millage Campaign **A+**
Project Management **A+**

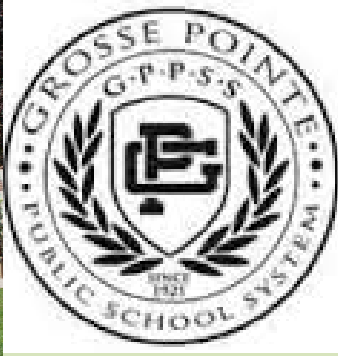


plante moran CRESA
REAL ESTATE CONSULTANTS

Grosse Pointe Public Schools

Strategic Capital Planning

September 26, 2016





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Bond Issue/Millage Campaign A+
Project Management A+



Overview

☐ Who, What, Why, Where, When, and How....

- Plante Moran Cresa Overview
- Facility Assessment Process
- Capital Funding Considerations
- Next Steps





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Project Feasibility A⁺
Bond Issue/Millage Campaign A⁺
Project Management A⁺



Plante Moran Cresa Overview



Who is Plante Moran CRESA?

Collective Expertise

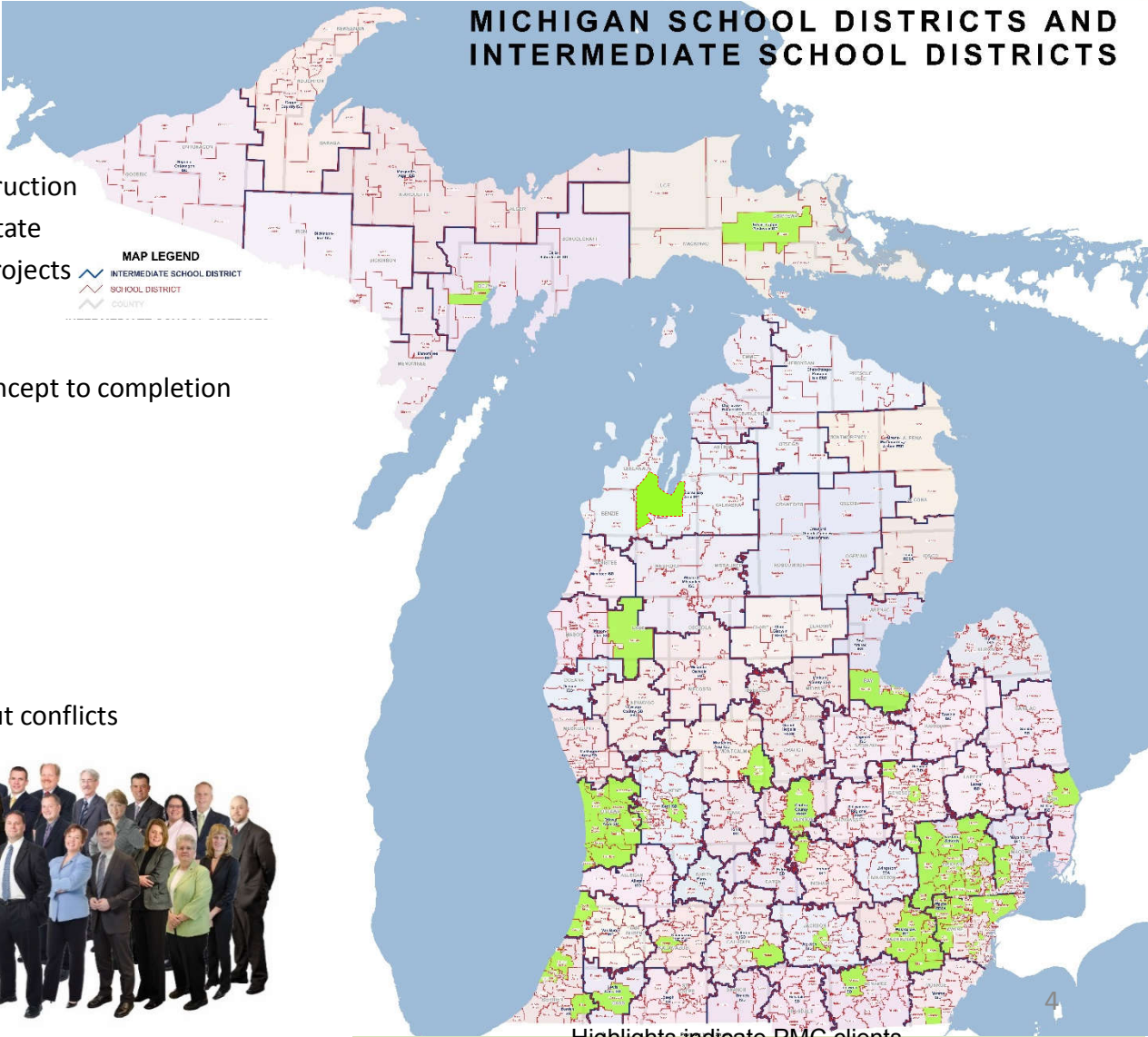
Planners, architects, engineers, construction experts, financial advisors and real estate Professionals with over \$1B in K-12 projects

Full Service

- Ability to service K-12 clients from concept to completion
- Enrollment Projections
- Feasibility Studies
- Capital Planning
- Program Management
- Real Estate Asset Positioning

Independent Advice

Advisory services are provided without conflicts



MICHIGAN SCHOOL DISTRICTS AND INTERMEDIATE SCHOOL DISTRICTS

Highlights indicate PMC clients



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Farmington Public Schools
 Jon Riebe, Director of Facilities Management
 Jon.Riebe@farmington.k12.mi.us
 (248) 489-3435
 32500 Shiawassee | Farmington, MI 48336

- \$131.5 Million
- 1.9 Million SF
- Pre-Bond Planning
- Owner's Representation Services



Birmingham Public Schools
 Daniel A. Nerad, Ed.D, Superintendent
 dn03bps@birmingham.k12.mi.us
 (248) 203-3006
 31301 Evergreen Road | Beverly Hills, MI 48025

- \$65 Million 2015 Bond Program
- Renovations, Additions, & Site Work for 15 Facilities
- Pre-Bond Planning
- Owner's Representation Services



Livonia Public Schools
 Andrea Oquist, Superintendent
 aquist@livoniapublicschools.org
 (734) 744-2589
 15125 Farmington Road | Livonia, MI 48154

- \$195 Million
- Renovations & Additions of 27 Facilities
- 2.8 Million SF
- Pre-Bond Planning
- Owner's Representation Services



Novi Community School District
 Dr. Steven Matthews, Superintendent
 SMatthews@novi.k12.mi.us
 (248) 449-1234
 25345 Taft Road | Novi MI 48374

- \$70 Million
- Facility Assessments
- Pre-Bond Planning
- Owner's Representation Services



Van Buren Public Schools
 Mike Van Tassel, Superintendent
 mvantassel@vanburenschools.net
 (734) 697-9126 ext. 209
 555 W. Columbia Ave. | Belleville, MI 48111

- \$80 Million
- New High School
- 366,000 SF
- Pre-Bond Planning
- Owner's Representation Services



Warren Consolidated Schools
 Dr. Robert Livernois, Superintendent
 livernois@wcskids.net
 (586) 698-4093
 31300 Anita | Warren, MI 48093

- \$210 Million
- Renovations & Additions of 33 Facilities
- 3.2 Million SF
- Pre-Bond Planning
- Owner's Representation Services



Cassopolis School District
 Gregory Weatherspoon, Superintendent
 gweatherspoon@cassopolis.org
 (248) 445-0549
 725 Center Street | Cassopolis, MI 49031

- \$16 Million
- 60,000 SF. Addition
- 30,000 SF Renovation
- Pre-Bond Planning
- Owner's Representation Services



Ypsilanti Public Schools
 Dedrick Martin, Former Superintendent
 (Now Superintendent at St. Johns Public Schools)
 martind@sjedwings.org
 (989) 227-4001
 1885 Packard Road | Ypsilanti, MI 48197

- \$52 Million
- Renovations & Additions of 14 Facilities
- 11 Million SF
- Pre-Bond Planning
- Owner's Representation/Consulting Services



DeWitt Public Schools
 Dr. John Dieter, Superintendent
 dieter@dewittschools.net
 (517) 668-3001
 2957 W. Heribson Rd. | DeWitt, MI 48820

- \$12 Million
- Renovations & Additions of 8 Facilities
- Classroom Additions
- Owner's Representation Services



Clarenceville Schools
 Paul Shepich, Superintendent
 (248) 919-0250
 20210 Middlebelt Road | Livonia, MI 48152

- \$2 Million Sinking Fund
- New Cafeteria
- Roof Replacements
- Renovations
- Owner's Representation Services



Detroit Public Schools
 Roderick L. Brown, PE, PMP, LSSMBB
 Executive Director of Bond Program
 (313) 409-5878
 roderick.brown@detroitk12.org
 3011 W. Grand Blvd. | Detroit, MI 48202

- \$500 Million Bond
- ARRA Compliance Oversight
- Design Documents Review
- Contractor Invoice Review
- Consulting Services



Onsted Community Schools
 Mark Haag, Superintendent
 markh@wildcat.onsted.k12.mi.us
 (517) 467-2174
 10109 Slee Rd. | Onsted, MI 49265

- \$12 Million Bond
- Facility Bond Planning & Enrollment Projections
- ARRA Compliance Oversight
- Design Documents Review
- Contractor Invoice Review



Montrose Community Schools
 Mark Kleinhans, Former Superintendent
 (Now Superintendent at Bedford Public Schools)
 mark.kleinhans@bedford.k12.mi.us
 (734) 850-6001
 300 Nanita Dr | Montrose, MI 48457

- \$16 Million Bond
- Renovations & Additions of 8 Facilities
- Owner's Representation Services



Lincoln Consolidated Schools
 Ellen Bonter, Superintendent
 bontere@gw.lincolnk12.com
 (734) 484-7001
 8970 Whittaker Road | Ypsilanti, MI 48197

- \$35 Million
- Renovations & Additions of 9 Facilities
- 650,000 SF
- Pre-Bond Planning
- Owner's Representation Services



Milan Area Schools
 Bryan Girbach, Superintendent
 girbachb@milanareaschools.org
 (734) 439-5009
 100 Big Red Drive | Milan, MI 48160

- \$49 Million
- Renovations & Additions of 6 Facilities
- 798,000 SF
- Owner's Representation Services



Niles Community Schools
 Dr. Richard Weigel, Former Superintendent
 (Now Superintendent at Portage Township Schools)
 weigelra@tc3net.com
 (219) 764-6002
 111 Spruce St | Niles, MI 49120

- \$2 Million QZAB Bond
- New Tech High School
- Pre-Bond Planning
- Renovation of Existing High School



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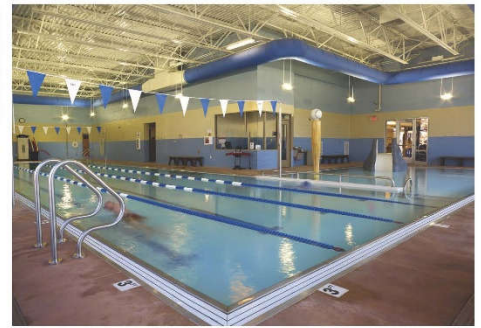
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Other PMC Clients



GROSSE POINTE LIBRARY



GROSSE POINTE NEIGHBORHOOD CLUB

PROJECT DETAILS: The Grosse Pointe Public Library had outgrown its existing locations and needed new facilities to improve service offerings and increase visitation

Services Provided:
 Site Plan Approval
 Design Advocacy
 Construction Team Selection
 Project Management
 Furniture Procurement
 Move Management

Size:
 43,300 sq. ft.

Location:
 Grosse Pointe, MI

Completed:
 2006

GPPL engaged Plante Moran Cresa (PMC) as project manager to assist with its planned expansion at two new sites and to oversee the complete construction of two new library facilities.

PMC worked with the library's design team to maximize building efficiency. By providing the insights and acumen of value engineering, PMC was able to increase the square footage of one branch by over 30% of that proposed by the original design without increasing the budget. Project management by PMC resulted in both facilities being completed under budget in 20 months, with \$210,000 in savings transferred back to GPPL.

Additionally, PMC coordinated building moves, furniture procurement and commissioning.

PROJECT DETAILS:

Services Provided:
 Strategic Planning
 Project Feasibility
 Leasing Strategy
 Capital Acquisition
 Development Structuring
 Project Management

Size:
 41,000 SF

Cost:
 \$11 million

Holding its first meeting in 1911, the Grosse Pointe Neighborhood club was founded to meet the social service needs of the community, as well as provide recreational and educational programs for its residents. The club was operating in an aging building in need of renovations.

Plante Moran Cresa (PMC) was engaged to provide comprehensive feasibility, development and project management services for Grosse Pointe Neighborhood Club's new \$11 million, 41,000 square foot facility.

Beaumont Hospital has signed on to be a tenant in the building to provide wellness services. The new facility will feature a pool, exercise facilities, gym, conference rooms, and classrooms.

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Other PMC Clients



THE DETROIT MEDICAL CENTER

PROJECT DETAILS:

Services Provided:
 Master Schedule
 Procurement
 Project Management
 Move Management

Size:
 \$500 Million
 Construction

The Detroit Medical Center (DMC) is the largest health care provider in southeast Michigan with more than 2,000 beds and 3,000 physicians throughout its five campuses. An acquisition by Vanguard Health Systems in 2011 brought an additional \$500 million in capital improvements to the DMC.

DMC engaged Plante Moran Cresa (PMC) to develop a master schedule for its \$500 million capital improvement program and to lead in the procurement of professional architecture, engineering, construction management, and other services. PMC will manage these services over the five year, five campus project including: a new four-story Pediatric Specialty Center, a 175,000 square foot Children's Hospital Tower, and a new Cardiovascular Institute. Additionally, expanded and modernized facilities will be designed and constructed for Detroit Receiving Hospital, Sinai Grace Hospital, Harper/Hutzel Hospital, the Rehabilitation Institute, and Huron Valley-Sinai Hospital.

PMC actively managed the \$64 million capital improvement project of the West Campus, which includes the Harper University Hospital/Hutzel Women's Hospital. The project consisted of Surgical Services Renovation, Lobby Expansion, Ground Floor Redesign, Inpatient Renovations, 6th Floor Renovation, along with work for the Rehabilitation Institute of Michigan. PMC has also provided expertise and has augmented DMC's project development staff on the balance of the project where requested.

...and in recent news!

The District Detroit passed a major milestone in the construction of the Little Caesars Arena: The last remaining piece of structural steel needed to finish the roof was officially placed on August 4.

The men and women involved on the project celebrated the milestone with a commemorative topping out ceremony, signing their names and decorating the steel with banners, flags, and an evergreen tree before



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Facility Assessment Process



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- ❑ Plante Moran Cresa is able to perform an independent facility assessment review of the GPPS major buildings and sites. Site visits will take place in October and November 2016
 - ❑ The goal of this assessment is to provide GPPS a “road map” to help establish needs for future capital improvement projects and future bond planning purposes throughout the district. Update reports will be provided to GPPS in November and December 2016
- ❑ The assessments primary focus will be three major components:
 - Critical need/life safety
 - Facility needs & replacement
 - Property enhancements



- PMC will review the Elementary, Middle and High School buildings and sites

- PMC's review will include site work, building envelope, mechanical/electrical systems, environmental, educational technology, security and surveillance needs, site traffic, furniture, and furnishings/equipment needs for the school district.
 - The report will represent a statement of the physical condition of the buildings and properties based upon visual site observation. Our assessment review will be non-invasive nor diagnostic.



□ Evaluation Definitions

The following terms will be used throughout the report and are defined as follows:

- Excellent:** New or like new

- Good:** Average to above-average condition for the building system or material assessed, with consideration of its age, design, and geographical location. Generally, other than normal maintenance, no work is recommended or required

- Fair:** Average condition for the building system evaluated. Satisfactory; however, some short term and/or immediate attention is required or recommended (primarily due to normal aging and wear of the building system) to return the system to a good condition

- Poor:** Below average condition for the building system evaluated. Requires immediate repair, significant work, or replacement is anticipated to return the building system or material to an acceptable condition.



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Facility Assessment Report Overview



Hillcrest Elementary School
 The following summarizes the significant building

Property Name:	
Street Address:	7500
Primary Use:	
Year Built:	
Number of Stories:	
Total Building Area:	
Net Rentable Area:	
Number of Rooms:	
Reported Occupancy:	
Reported Site Area:	
Flood Zone:	
Seismic Zone:	
On-site Parking Spaces:	Appr
On-site Handicap Parking Spaces:	
Superstructure:	
Basement:	
Exterior Facade(s):	
Roof(s):	Membrane / Rubber
Fuel Tank:	N/A
Heating:	Boiler system / Forced Air
Air-Conditioning:	None
Hot Water:	Water tanks
Electrical Wiring:	Original / Partial update
Number of Elevators:	0
Fire Sprinkler:	None
Date of Site Observation:	December 15, - December 31, 2014

SAMPLE



Existing window units are to be removed and an upgrade system installed throughout.



Existing office configuration for safety and functional.



Existing power and data is unsafe in some conditions for repair.





GPPS Facility Assessment Comparison to K-12 Industry Standards

☐ Average Capital Bond Cost per s.f. for Infrastructure Improvement for K-12 Districts over the past 20 years

Item	Low	High
• Roofing	\$6	\$8
• Site	\$4	\$6
• Windows	\$8	\$12
• Interiors/Finishes:	\$9	\$14
• Mechanical	\$12	\$16
• Electrical/Security	\$4	\$6
• Plumbing	\$3	\$5
• Furniture	\$4	\$6
• Performing Arts	\$4	\$6
• Technology/Infrastructure	\$11	\$16
Average:	\$65	\$95

☐ GPPS Capital Bond Costs:

Item	Costs	per s.f. costs (based on XXX,XXX s.f.)
• Critical Needs/Life Safety	\$TBD	\$TBD
• Facility Needs/Replacement	\$TBD	\$TBD
• Property Enhancement	\$TBD	\$TBD
Total Needs/Enhancements:	\$TBD	\$TBD



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Capital Funding Considerations



Funding Options for Future GPPS Capital Programs:

- ❑ General Fund
 - District allocates for capital outlay from the General Fund (Operating Fund)

- ❑ Sinking Fund
 - District may establish a sinking fund to provide funding on a pay-as-you-go basis
 - Fund is approved through a school election
 - District may not levy more than certain mill(s) for a certain period of time (pay-as-you-go)
 - Use of funds limited to certain type of improvements

- ❑ Bond Fund
 - Qualified Bond – requires qualification be granted by Department of Treasury
 - Non-Qualified Bond – May not exceed 15% of the assessed value of the District
 - Both types of bonds may be issued for a period of no more than 30 years
 - Use of funds limited to certain type of improvements



Funding Options for Future GPPS Capital Programs:

Sinking Fund Proceeds

- Use of funds limited to certain type of improvements (excludes technology equipment, buses, and FF&E).

COMPARISON OF USES OF SINKING FUND
 MILLAGE AND VARIOUS TYPES OF BOND PROCEEDS

Uses	Sinking Fund	Voted Bonds
New Construction	Yes	Yes
Remodeling	Yes	Yes
Technology Infrastructure	Yes	Yes
Site Improvements	Yes	Yes
Equipment	No*	Yes
Technology Equipment	No*	Yes
Buses	No*	Yes
Repairs (curative rather than preventative measures)	Yes	No
Limits on levy or bond issue size	Number of Mills: Up to 5 mills for up to 20 yrs. Pay as you go.	Bond issue size: 15% of SEV or if SBLF Qualified, no debt limit unless unable to repay SBLF loans, if any, on series within 6 years after maturity.
Source: Miller Canfield		16



Funding Options for Capital Programs:

Bond Fund Proceeds

- Use of funds limited to certain type of improvements (includes technology equipment, buses, and FF&E)
- Can be either qualified or non-qualified type bond

A school district must demonstrate that the weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed with the proceeds of the qualified bonds.

The following table lists the recommended average useful life of the categories of assets that should be considered in this calculation. If a specific item is not listed, it should be assigned to the most closely related category.

Asset Category	Useful Life Years
New School Building	40
Building Improvements - interior and exterior remodeling such as plumbing, electrical, HVAC, fire suppression, security systems, elevators <small>[Useful_Life_Worksheet_instr%20version]</small>	30
Roofing	20
Flooring	10
Furnishings and Equipment - furniture and fixtures that are not a structural component of a building such as desks, chairs, tables, storage units, office equipment, copiers, fax machines, communications equipment, kitchen equipment and appliances, athletic equipment, etc.	10
Technology Infrastructure - cables, networks, etc.	10
Buses	6
Technology (instructional and non-instructional) - computers, printers, scanners, etc.	5

Source: Dept. of Treasury



Bond Approach Options for Future GPPS Capital Programs:

Qualified Bond Approach

- State qualification is based on a preliminary qualification review process
 - Schedule a preliminary qualification meeting approximately 6 months prior to election date
 - Information needs to be submitted and certified by the Clerk 84 days prior to election date
 - Certified application must be submitted 30 days prior to the District calling for a bond election
 - Final qualification process upon approval of the bond proposal by the District's voters
 - Adheres to prevailing wage requirements of the Dept. of Treasury

Non-Qualified Bond Approach

- Information needs to be submitted and certified by the Clerk 84 days prior to election date
- Fund expenditures (including Sinking Funds) are not subject to prevailing wage requirements



Timing Options for GPPS Capital Programs:

☐ Three Regular Election Cycles

- 1st Tuesday after the first Monday in May;
- 1st Tuesday after the first Monday in August;
- 1st Tuesday after the first Monday in November

☐ Information needs to be submitted and certified by the Clerk 84 days prior to Election Date (Michigan Public Act 253 of 2013)

Elections	School Bond Proposals	Passage Rate	With Millage Increase	Passage Rate	Without Millage Increase	Passage Rate
Feb-12 *	13	46%	8	25%	5	80%
May-12	25	68%	17	59%	8	88%
Aug-12	20	60%	17	53%	3	100%
Sep-12	2	100%	1	100%	1	100%
Nov-12 **	13	31%	9	11%	4	75%
Feb-13	13	69%	9	56%	4	100%
May-13	31	74%	21	62%	10	100%
Aug-13	6	33%	4	0%	2	100%
Sep-13	1	100%	1	100%	0	n/a
Nov-13	25	64%	17	53%	8	88%
Feb-14	9	56%	6	33%	3	100%
May-14	37	84%	26	77%	11	100%
Aug-14	7	71%	5	80%	2	50%
Nov-14 ***	13	62%	12	58%	1	100%
Totals	215	141 passed	153	84 passed	62	57 passed
		66%		55%		92%

* presidential primary

** presidential election

*** gubernatorial election



Next Steps...

Considerations on the following;

- How will GPPS address capital/technology needs in the future?
- Should GPPS consider a continuation of the sinking fund, and/or consider either a non-qualified or qualified type bond?
- What election date should a proposal be placed on?
- What is the dollar amount required to address capital/technology needs versus the dollar amount that could be supported by the Community?
- What capital/technology needs should be included in that dollar amount?



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Helping to Plan the Future:

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