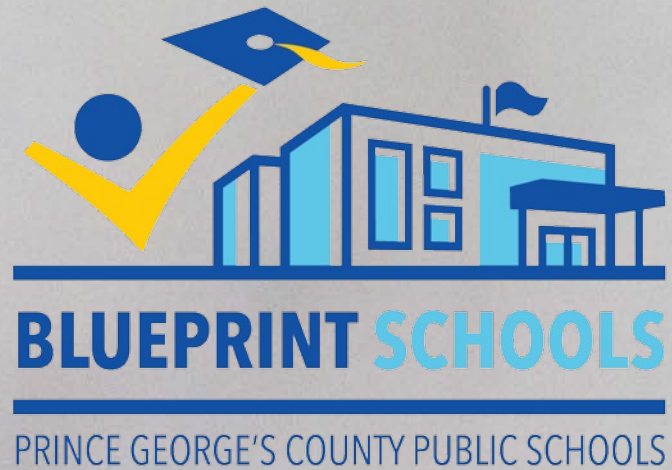


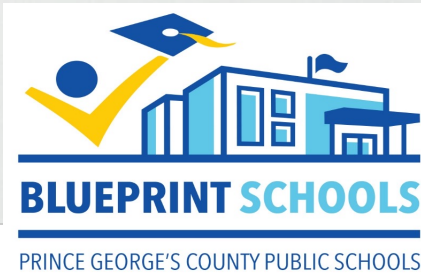


County Council Presentation  
October 17, 2022

**BLUEPRINT SCHOOLS  
PHASE I**

# Update





## **PGCPS BLUEPRINT SCHOOLS PROGRAM**

PGCPS' growing student enrollment, 2,000+ middle school seat deficit, and 206 rapidly aging school buildings prompted PGCPS to utilize the alternative construction finance method. Through this unique delivery model PGCPS pays the developer to design, build, finance and maintain (DBFM) six schools over a 30-year services period.

### **Phase I Schools**

Sonia Sotomayor Middle School at Adelphi (New School)

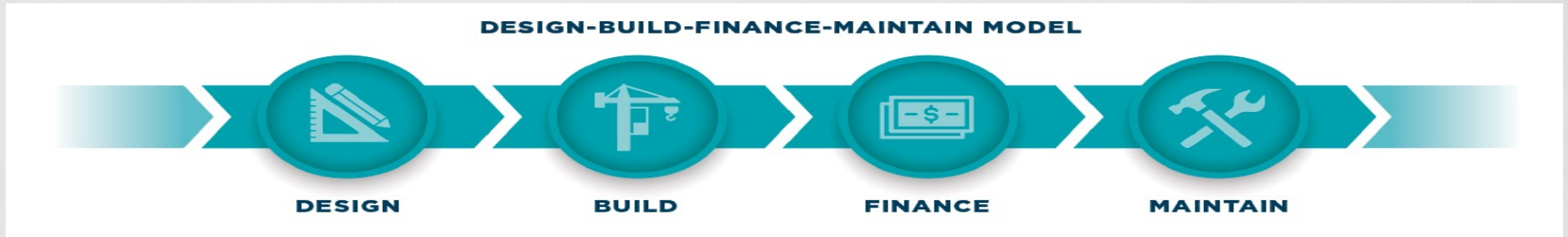
Colin L. Powell K-8 Academy (New School)

Drew-Freeman Middle School (Replacement)

Hyattsville Middle School (Replacement)

Kenmoor Middle School (Replacement)

Walker Mill Middle School (Replacement)



**How it works:** Prince George's County Education & Community Partners PGCECP (comprised of Fengate Capital Management, Gilbane Development Company, Gilbane Building Company, Stantec, and Honeywell) will receive payments, over 30 years, to design and build six schools to Prince George's County Public Schools' specifications as well as assume maintenance of the buildings throughout the contract period.

<b>COST &amp; TIME COMPARISON ACF vs Traditional</b>	ACF Design-Build-Finance-Maintain	Traditional Design-Bid-Build
	<b>SIX SCHOOLS:</b>	<b>SIX SCHOOLS:</b>
Design and construction costs	\$485.8M	\$868.8M
Deferred maintenance costs	\$0	\$235.9M
PGCPS design-build payment obligations	<b>\$930.8M</b>	<b>\$1.1B</b>
Year of completion	<b>2023</b>	<b>2036</b>

**FUNDING**

Prince George's County	+	Prince George's County Public Schools
Annual contributions for 30 years		Annual contributions for 30 years

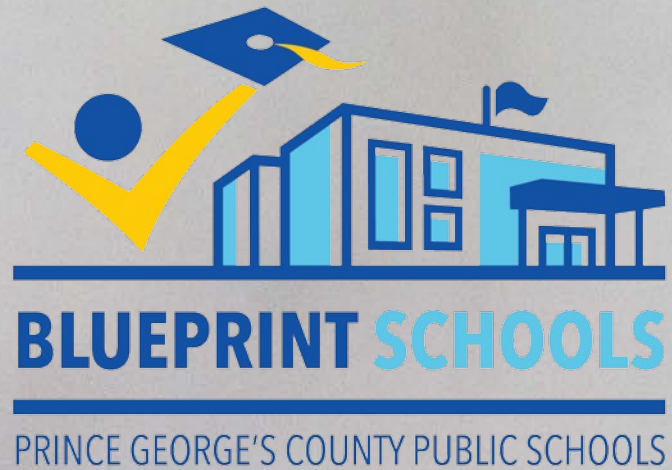
# Program Update

*Thus far, Blueprint Schools Program has:*

- All Schools on track to be delivered and occupied for the 2023-204 School Year. Specifically, on the following dates:
  - **July 15, 2023**
    - Kenmoor Middle School
    - Drew-Freeman Middle School
    - Hyattsville Middle School
    - Sonia Sotomayor Middle School at Adelphi
  - **August 4, 2023**
    - Walker Mill Middle School
  - **November 8, 2023**
    - Colin L. Powell Academy
- Concurrently advanced on all six (6) schools architectural designs through **100% construction documents**, and the mobilization of construction.
- Presented in **60+ community meetings**, released nine (9) monthly newsletters and six (6) quarterly reports.
- Contributed **\$1 million in unrestricted funds to the Excellence in Education Foundation** for Prince George's County Public Schools students.
- Awarded over **\$119.6 million (93.07% of MBE requirement (\$128.5 million)) to date to certified minority-owned firms**; over **\$68.2 million** awarded to County-Based Businesses (CBB)
- Established a business **mentor-protege program**, which is now in Cohort 3, serving over 30 certified minority-owned firms, the majority of which are CBB.

**BLUEPRINT SCHOOLS  
PHASE II**

# Introduction



# Program Authority

## **Build to Learn Act of 2020 established:**

- Prince George's County Public-Private Partnership Fund that is administered by the Interagency Commission on School Construction (IAC).
- Committed \$25 million/year of State funding for 30 years to support a Blueprint Schools Phase II.
- Required a commensurate local match by both the County (\$10 million) and PGCPS (\$15 million) for the duration of the Phase II contract.
- Required a Phase II MOU between PGCPS, the County, IAC and Maryland Stadium Authority (MSA) that would set forth roles and responsibilities of each party and the funding and payment mechanism related to Phase II.

# Program Objectives

## Work Group and Task Force Introduction

- In November 2021, the County Council of Prince George's County approved Resolution No. CR 131-2021, establishing a Phase II P3 Alternative Financing School Infrastructure Work Group and Task Force.
- The Work Group and Task Force were tasked with exploring a Phase II public-private partnership for public school construction and replacement projects in Prince George's County.

## Program Objectives

At the outset of the engagement, the Work Group and Task Force established the following four overarching program objectives that have guided their work through Phase II:

1. Maximize the number of schools that can be replaced within the affordability limit
2. Endeavor to ensure that schools with the most deferred maintenance are addressed during Phase II
3. Provide certainty in the timing of delivery of these new schools
4. Endeavor to achieve an equitable geographic dispersion of the replaced schools



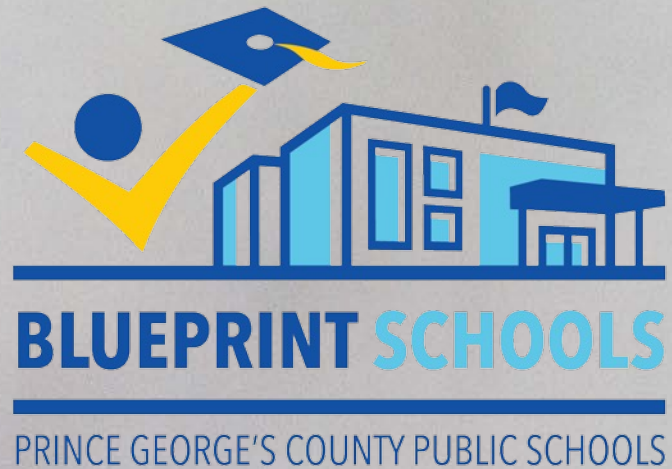
# School Selection Criteria

Guided by the program objectives, the Work Group and Task Force identified and established the following school selection criteria (in no ranked order):

1. Facility condition/remaining useful life/deferred maintenance
2. School replacement improves fiscal value
3. School replacement improves utilization level
4. Replacement over renovation is justified per feasibility study
5. School replacement allows for future growth
6. School is a community anchor
7. School replacement advances sustainability goals
8. School resides in a district that was not part of Phase I
9. School was considered for Phase I but not selected
10. School replacement improves walkability/safety
11. School replacement helps utilization levels in adjacent schools that are part of Cycle II or III
12. Current boundary study considerations
13. Impact on bus transportation
14. Suitable site for replacement
15. Ease of a swing space plan

**BLUEPRINT SCHOOLS  
PHASE II**

# Anticipated Transaction Structure



# Transaction Structure Overview

The anticipated terms of the contract include the following:

- 1) **Contracting Authority:** PGCPS (with financial support from the County, as detailed in an MOU).
- 2) **Scope of Services:**
  - a) **Schools, Sites and Standards:** Schools, sites and construction standards prescribed in the RFP.
  - b) **Design-Build:** The design and construction scope will include all activities related to the permitting, design, construction and commissioning of specified schools. Requirements will be made for public outreach during the design phase to ensure community input into design elements.
  - c) **Financing:** The private partner will be required to provide full financing for the project, whether in the form of debt or equity. All financing will be private and without recourse to PGCPS / the County.
  - d) **Life-cycle Maintenance:** The private partner will be responsible for hard maintenance at service levels prescribed in the RFP and Agreement, thereby ensuring that the facilities are maintained at prescribed standards over the life of the contract.
  - e) **Handback Requirements:** The private partner shall be required to transfer the facilities back to PGCPS at the end of the term at prescribed standards, ensuring that the buildings are in good condition at the expiration of the Agreement.
- 3) **Key Excluded Services:**
  - a) Custodial and daily facilities management shall be retained by PGCPS.
  - b) PGCPS shall provide swing space and occupancy planning.

# Transaction Structure Overview

## 4) Compensation:

- a) Prepaid availability payments may be offered upon completion and occupancy of schools based on predetermined milestones.
- b) Primary compensation will begin upon completion and occupancy of the entire Blueprint Schools Package and be in the form of quarterly availability payment, which shall be subject to deductions for performance shortfalls.
- c) The maximum availability payment will be comprised of a capital charge, a maintenance and repair charge, and any extraordinary items, and shall be determined on the basis of the private partner's price proposal.
- d) Funding for the availability payments will be provided on a cost-share basis between PGCPs and the County and a dedicated State contribution.

**5) Anticipated Term:** The design and construction period is anticipated to be no longer than three years, followed by a maintenance period that is anticipated to be 30 years, pending terms to be negotiated during developer procurement.

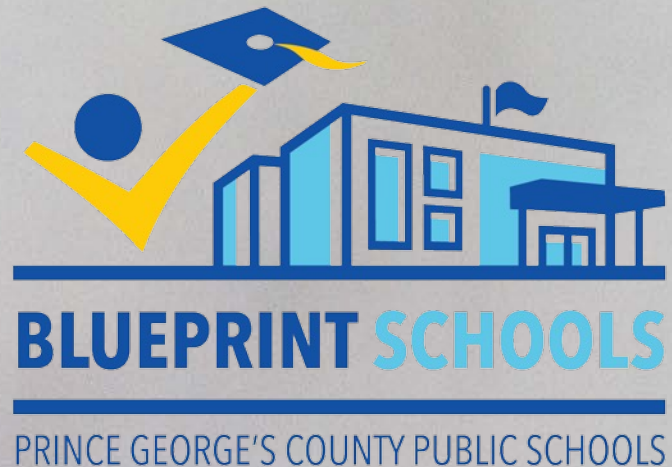
**6) Asset Ownership:** PGCPs will own and hold title to the schools, with the private partner having no leasehold rights over the property other than those indicated in the Agreement.

# Transaction Structure Overview

- 7) **MBE/Local Business Requirements:** The final MBE and CBB requirement will be determined in consultation with Prince George's County, with both the design-build and services period being counted separately.
- 8) **MBE Equity Requirement:** In addition, the Developer will provide combined MBE and community equity investment of up to 30% of the required equity for the project (see #9 below for further detail regarding community equity investment).
- 9) **Community Investment Agreement:** Developer will provide both a non-dilutable, equity public offering up to 10% of the required equity and a written agreement on ways they will support the goals of PGCCPS and the broader community through investments such as apprenticeships, scholarship endowments and minority business capacity building.

**BLUEPRINT SCHOOLS  
PHASE II**

# Affordability Analysis Overview

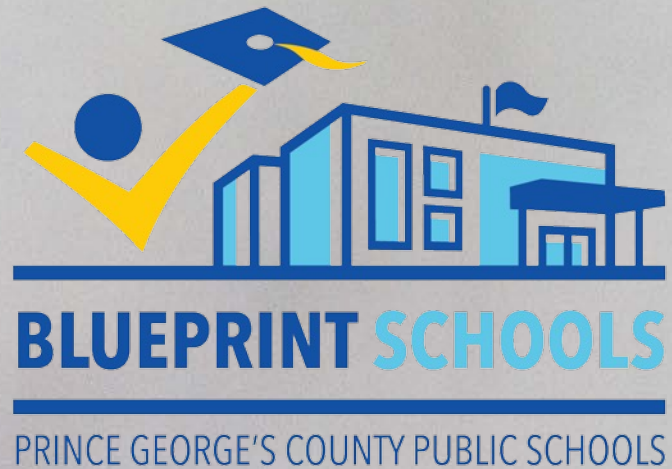


# Affordability Analysis Overview

- **Approach:** PGCCPS' financial advisory team developed an affordability analysis based on several key inputs estimated by PGCCPS' technical and financial advisory teams:
  - Program
  - Design and construction timeline
  - Construction costs
  - Financing assumptions
  - Operating assumptions
  - Maintenance assumptions
  - Developer return assumptions
- **Affordability Limit:** The analysis showed that the desired school package could be delivered within a \$50 million affordability limit with the inclusion of a \$35 million to \$50 million prepaid availability payment. The milestone payment would allow PGCCPS to pay capital costs at an earlier date, reducing long-term financing charges and lowering the annual availability payment.

**BLUEPRINT SCHOOLS  
PHASE II**

# Package Recommendations

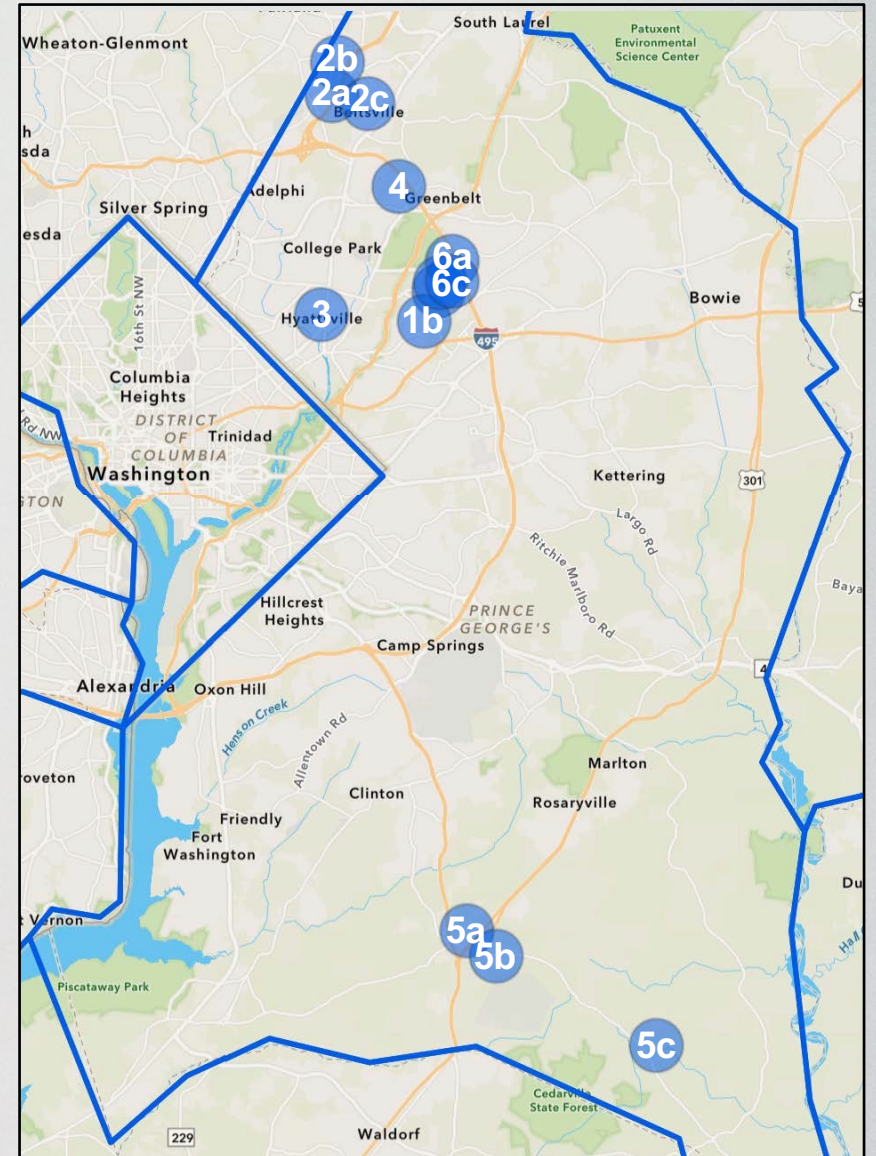




# Phase II School Package

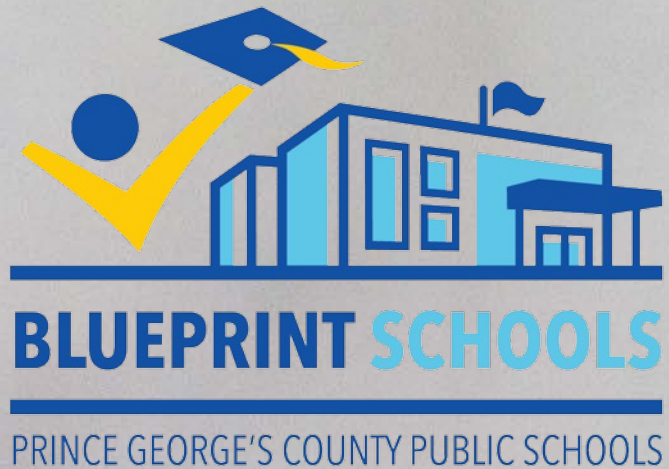
#	Current Schools (13 schools)	New Schools (6 schools)
1a	Margaret Brent Regional School	Margaret Brent Elementary School
1b	Glenridge Elementary School	
2a	James E. Duckworth Regional School	James E. Duckworth Regional School
2b	Calverton Elementary School*	
2c	Beltsville Academy*	
3	Hyattsville Elementary School	Hyattsville Elementary School
4	Springhill Lake Elementary School	Springhill Lake Elementary School
5a	Gwynn Park Middle School	Brandywine K-8 School
5b	Brandywine Elementary School	
5c	Baden Elementary School	
6a	Robert Frost Elementary School	Robert Frost K-8 School
6b	Charles Carroll Middle School	
6c	Carrollton Elementary School	

\* School will not be closed but rather re-boundaried to relieve overcrowding.



**BLUEPRINT SCHOOLS  
PHASE II**

# Anticipated Schedule



# Phase II Anticipated Schedule

Milestone	Date
RFQ Issued	Week of October 24, 2022
RFQ Responses Due	Week of December 12, 2022
Evaluation of RFQ Responses	Mid-December – Late January 2023
Final Proposers Notified	No later than January 25, 2023
RFP Response Period / Project Agreement Negotiations	January 26 – Late June 2023
RFP Responses Due	Week of June 26, 2023
Evaluation of RFP Responses	End of June 2023 – Mid August 2023
Selection of Successful Proposer	No later than August 17, 2023
Financial Close	April 15, 2024



October 17, 2022