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FOR IMMEDIATE RELEASE:

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## **Mayor Caps Newton North Spending**

(NEWTON) Newton Mayor David Cohen docketed with the Board of Aldermen today a request for bonding authorization in the amount of \$197.5 million for the construction of the new Newton North High School.

“This is the line in the sand,” said Mayor Cohen. “At this price we can be sure that this outstanding community facility will be of the highest quality, meet our high expectations, fulfill our public schools’ dynamic academic and wellness curriculum, and provide an environmentally friendly and structurally sound building that many generations of Newton residents will be proud of. It is a significant step forward for this important project. With this announcement we bring closure to the period of uncertainty regarding the cost of Newton North, enabling us to collectively look forward to building on the significant on-site progress happening each day.”

The \$197.5 million figure has been endorsed by the entire project management team of Turner Construction Company, the project manager; Dore & Whittier, the Architect of Record; and Dimeo Construction Company, the construction manager and contractor that will be responsible for building the facility. While this is not the official Guaranteed Maximum Price as described within the Construction Manager At-Risk laws, according to the mayor, it is the most the City of Newton will pay.

The price includes \$165 million in construction costs, and \$32.5 million in so-called “soft costs” – the price for design work, architect fees, and other project administration expenses.

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“I am very confident that we can produce this building as designed at that price,” said Steve Rutledge, Chief Operating Officer of Dimeo Construction Company. “While we remain cautious about the volatility of the construction market and the unknowns related to the less-than-100% construction documents, Dimeo believes \$165 million in construction costs is a solid number.”

In order to reach this maximum price, Mayor Cohen sent approximately \$12 million in value engineering proposals for the School Committee, Design Review Committee, and Board of Aldermen to review. The \$197.5 million price takes into account \$5 million of the \$7 million in value engineering savings accepted by all three entities.

“We are erring on the side of caution when it comes to value engineering,” explained Mayor Cohen. “We may realize savings elsewhere once the sub-contractor bids come back, or we may have to revisit a limited number of rejected value engineering items if unforeseen costs arise. However, the City of Newton will not pay more than \$197.5 million for the new Newton North High School.”

“I think this is a responsible course of action,” said Arthur Cohen, who chairs the Design Review Committee, a 16-member volunteer board involving architects, engineers, and other construction experts who have reviewed the plans and documents for the building throughout the life of the project. “I firmly believe that even with the value engineering being done that this will be an exceptional academic and community facility.”

Along with this release, the Executive Office released a question and answer page, updated renderings of the building, and the docket item itself.

## **Why are you capping the price instead of waiting for the Guaranteed Maximum Price?**

The key to the final price tag for this project will be the sub-contractors' bids. Once construction documents are fully completed in mid-April, Dimeo Construction will send bids to various pre-qualified trades. These bids will not be received back until June. In order for Dimeo to execute contracts, thereby locking in prices, the final authorization must be approved by the Board. Once the contracts have been signed with the subcontractors, we will be signing a Guaranteed Maximum Price (GMP). With today's announcement, irrespective of the GMP, we are assured that the total expenditures for the project will not exceed \$197.5 million.

## **How will the school be paid for?**

The Mayor's plan provides for the Newton North project along with other priority capital needs of the City such as Angier and Cabot elementary schools, swing space, fields replacement at Newton South, and the refurbishing of our six fire stations. The plan would gradually draw down our capital reserve fund over time, and raise the percentage of our operating budget going for debt service, from the current 3%, to no more than 5%. The details of the mayor's plan will be released well in advance of the Board of Aldermen's debate on the bond authorization.

## **Now that the Mayor has requested this bond authorization, what happens next?**

A Committee of the Whole has been scheduled for Wednesday March 26<sup>th</sup> where the authorization will be debated. Barring a special meeting of the Board of Aldermen, the first full Board meeting that the appropriation could be approved is April 7<sup>th</sup>.

## **What are the next steps for the project?**

Crews are out doing foundation work, and they will be continuing that work through June. Meanwhile, steel has been ordered and is expected to arrive on site by June 1<sup>st</sup>. Structural steel will be placed beginning with the academic core of the building in June, followed by the athletic wing and then the theater arts wing. With the structural steel in place, temporary roofing will be installed, followed by the erection of the exterior brick walls.

## **What is the timetable for project completion?**

The new Newton North is on target to be occupied in September 2010. The current building will be demolished following occupancy of the new building. All construction activity is scheduled to be completed by the Spring of 2011.