

North East Independent School District

Heroes Stadium Executive Summary

Need for a Second Athletic Stadium

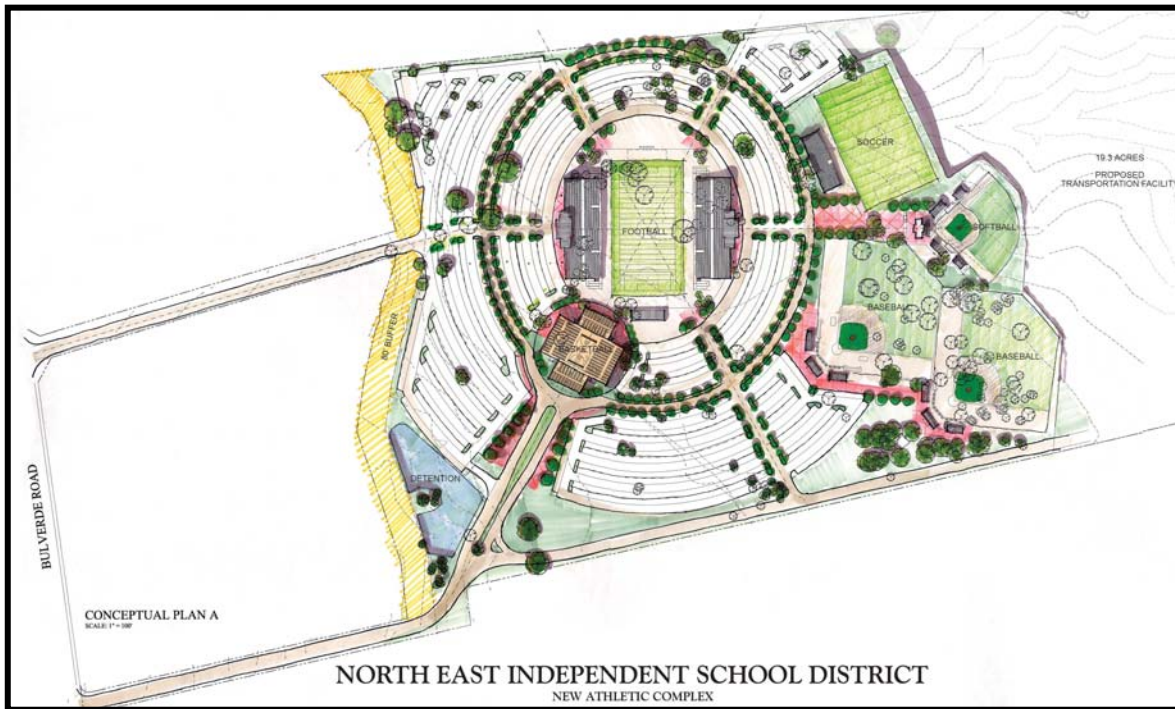
In 2007, North East Independent School District was the only school district within the State of Texas having six high schools with only one (1) competition Athletic Stadium. This placed an added burden on students, faculty and families alike as football games within District 26-5A were scheduled for Thursday, Friday and Saturday evening play due to the overall make-up of the nine-member competition district. Thursday night games, concluding around 11:00 p.m. following the return bus trip by athletes, cheerleaders, dance and drill teams and pep squads placed a difficult burden on students to be rested and prepared for school activities the following day. As a result, the District put before the voters a referendum to construct a second Athletic Stadium as part of the 2007 Bond Program, which passed with an overwhelming majority in May 2007. Stadium construction began in June 2008, with a planned opening in August 2009.



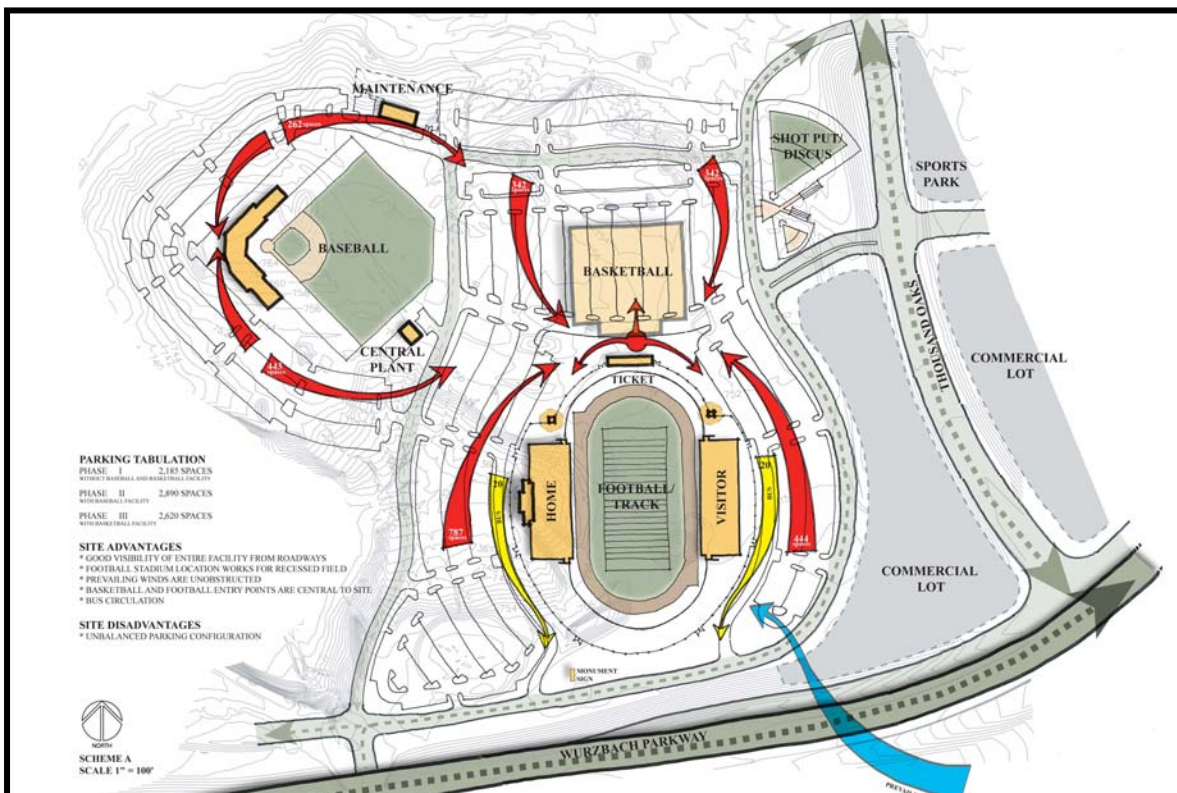
Land Acquisition

Land purchase for construction of a future second Athletic Stadium for the District was approved by the voters in the 1998 Bond Election. A site adjacent to Bulverde Road, approximately 2.75 miles north of Loop 1604 and ½-mile south of Evans Road, was initially selected as the site for the future athletic venue. This 60-acre site was budgeted at \$1,200,000 in the 1998 Bond Program, and was purchased on October 30, 2001 for \$1,184,000. Following passage of the 2007 Bond Program, property owners living in proximity to the new athletic stadium site expressed concern that the opening of the stadium would place an immediate negative traffic impact on Bulverde Road, which included only 2 travel lanes, adding to a worsening traffic situation in the area. Although the City of San Antonio's 2007 Bond Referendum contained funding to widen and improve Bulverde Road from two to four travel lanes with a center turning lane, completion of these construction improvements were

years in the future (~ 2012) and could not avert the potential traffic impact created by opening the new stadium in 2009.



The District immediately began looking for an alternative site and located a tract of land in the old Longhorn Quarry. The Longhorn Quarry site was far better suited for an athletic complex than the Bulverde Road site for several reasons: it had no impervious cover restrictions as compared to a limit of 65 percent impervious cover at the Bulverde Road site; it was not located over the Edwards Aquifer Recharge Zone; it was more centrally located within the District, allowing the complex to serve all schools equally; it provided better road access the site with Wurzbach Parkway and Thousand Oaks



which were both located immediately adjacent to the property; it was not adjacent to residential areas; it provided the District the ability to construct more parking spaces than the previous site; and it was located adjacent to a city project to build community soccer fields, providing for joint use. The District purchased the 58.01-acre site for the new athletic stadium on October 3, 2007 using the District's General Fund with both land purchase (\$737,374) and site development (\$8,473,516) costs totaling \$9,210,890. On October 30, 2008, the District reclassified the athletic site development costs, which included site mass grading (cut and fill), and development of public roads on the site and utilities improvements, from a General Fund to a 2007 Bond Fund expenditure.



Design Professional Selection Process

The District initiated a Request for Qualifications (RFQ) selection process in October 2006 to identify the best-qualified Architects and Engineers to serve as prime consultants for projects planned for the District's 2007 Bond Program. Twenty-nine (29) responses were received, evaluated and rank-ordered by the AE-RFQ Evaluation Committee comprised of two Associate Superintendents (Division of Operations and Division of Business Services), the Executive Director of Construction Management and Engineering, the Senior Director of Construction Management and the Senior Director of Construction Planning and Design. Firms represented by the top fifteen proposals were invited to participate in an interview process, with ten (10) architects and three (3) engineers selected as prime consultants for the District's 2007 Bond Program. Bond Projects were then assigned to each architectural and engineering firm based on their overall qualifications and experience. Rehler Vaughn and Koone Architects (RVK) was selected as the architectural firm to design the new athletic stadium project based on their extensive experience in designing athletic-type projects and their past record of success with North East I.S.D. bond projects constructed at the Blossom Athletic Center.

Construction Planning Estimate


During development of the 2007 Bond Program (October 2007 through February 2008) proposed bond project scopes were developed and associated construction planning estimates were prepared for each project as Bond Facility Planning community meetings were conducted over a five-month period. As the most recent athletic stadium constructed in the San Antonio area was built by Northside ISD (Farris Stadium), North East ISD used actual bid costs from that project to help develop the construction planning estimate for the proposed North East ISD new athletic stadium. Using Northside's stadium bid date in June 2002 at a cost of \$9,984,000 the planning estimate for the North East stadium was based on a future bid date in June 2008 with a construction inflation factor of 1% per month and a 20% contingency to address program differences between the Northside and proposed North East stadiums. The construction planning estimate formula was as follows:

Stadium Construction Planning Estimate = $(\$9,984,000 \times 1.01^{72}) \times 1.2 = \$24,525,887$ which was rounded to \$24,500,000; this also equates to a total cost escalation factor of 15% per year.

It should be noted that during the AE-RFQ interviews, the District evaluation panel asked each architectural firm for their estimate of the construction inflation factor occurring in the San Antonio area and the majority of firms indicated 1% per month.

Bid Forecast for 2007 Bond New Stadium

- **Forecast Date: April 2003**
 - New Northside Stadium
 - Bid Date: 18 Jun 02
 - Bid Cost: \$9,984,000
 - New North East Stadium
 - Bid Date: 15 Jun 08 (+ 6 Years)
 - Bid Cost: \$24,500,000 (12%/yr) + 20% Contingency ~ 15% Factor
 - Trend Forecast through Bid Package III of IV: \$33,300,000 (~ 20%/yr)
 - Final Construction Bid through Bid Package IV: \$32,584,874
 - Bid Forecast Methodology
 - Northside Stadium Bid Cost adjusted for Construction Inflation at 1% per month compounded monthly for 72 months
 - Add 20% for Construction Differences and Bid Market Conditions
 - Bid Forecast Calculation = $(9,984,000 \times 1.01^{72}) \times 1.2$
= \$24,525,887 to \$24,500,000



Board Approved Budget

The final Board Approved Budget for the project was established at \$33,300,000.00 based on the construction costs trends in the San Antonio area.

Project Bid Delivery Method

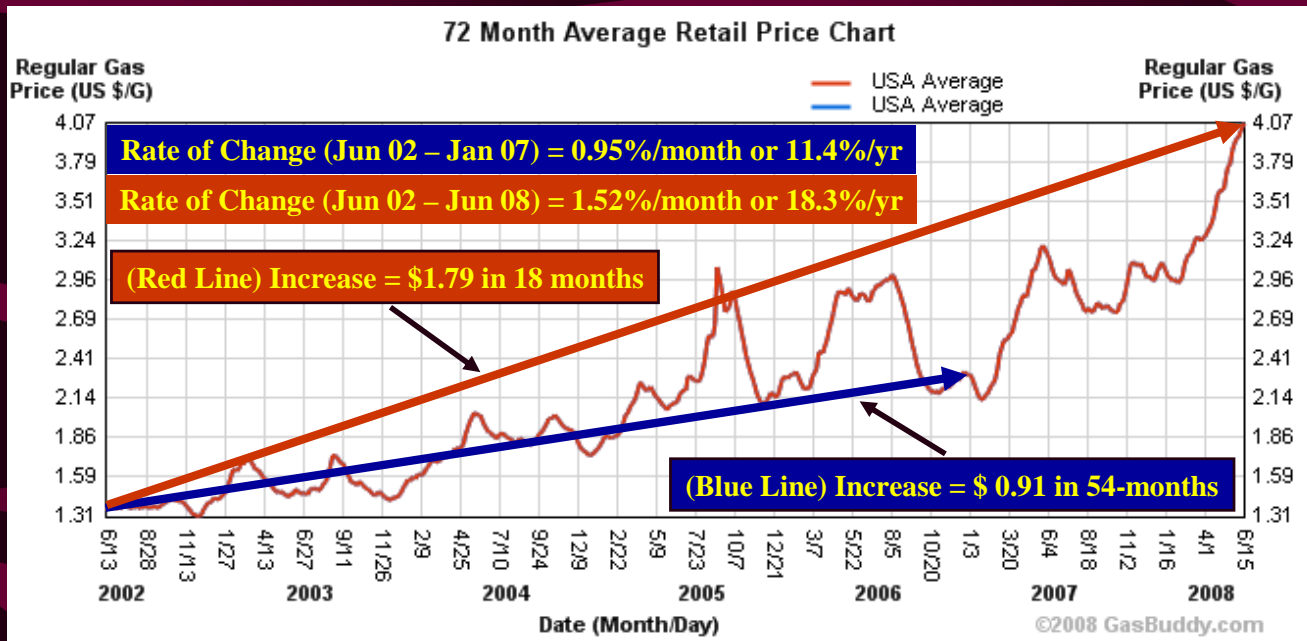
The District selected the Construction Manager at Risk bid delivery method for the new athletic stadium project for several reasons, including: (1) ability to shorten the overall design and construction timeline to help ensure facility completion in time for the start of the 2009-2010 athletic sports year; (2) ability to develop the design documents with direct involvement of the Construction Manager, thereby reducing constructability issues and generating project cost savings; and (3) facilitating a stronger partnership between the design, contractor and owner team as the Construction Manager is hired during the early stages of design development. As the Construction Manager at Risk Bid Tab below demonstrates, the District saved significant costs in the competitive bid process with the selection of Joeris General Contractors in December 2007 – approximately \$480K less expensive than the 2nd low bidder and \$1.2M less than the 3rd low bidder.

Architect: Rehler Vaugh & Koone Architects, Inc.				
General Contractors	Recommendation	Joeris General Contractors	Satterfield & Pontikes Construction, Inc.	Bartlett Cocke General Contractors, L.P.
Construction Manager at Risk Total Fee (\$)	Accepted	\$ 1,640,625.00	\$ 2,121,949.00	\$ 2,810,026.00
Construction Manager at Risk Total Fee (%)	Accepted	6.25%	8.08%	10.704%
Pre-Construction Services Fee (\$)	Accepted	\$ 26,250.00	\$ 6,000.00	\$ 40,000.00
Pre-Construction Services Fee (%)	Accepted	0.10%	0.02%	0.152%
General Conditions and Construction Phase Services Fee (\$)	Accepted	\$ 945,000.00	\$ 1,065,949.00	\$ 1,668,787.00
General Conditions and Construction Phase Services Fee (%)	Accepted	3.60%	4.06%	6.357%
Construction Manager at Risk Profit Fee (\$)	Accepted	\$ 669,375.00	\$ 1,050,000.00	\$ 1,101,239.00
Construction Manager at Risk Profit Fee (%)	Accepted	2.55%	4.00%	4.195%

Economic Impacts

Construction costs trends are closely tied to fuel prices because building material manufacturing processes and transportation to construction sites are heavily influenced by fuel costs. The chart below demonstrates the historical fuel trends between June 2002 and June 2008. A snapshot of the fuel trends shows several important factors: (1) that fuel costs rose between June 2002 and January 2007 (blue line) over the 54-month period at an average rate of 11.4% per year (or approximately 1% per month); (2) that between January 2007 and June 2008 (18-month period), fuel prices increased rather dramatically at an average rate of 39.3% per year; and (3) over the entire 72-month period (red line) fuel costs rose on average 18.3% per year or 1.6 times greater than the bond planning estimate anticipated for the North East I.S.D. new athletic stadium project. Based on the actual bid costs for the North East I.S.D. stadium project (\$32,584,874) in 2008, a 72-month planning period and a starting cost of \$9,984,000 (representing the Northside construction cost in June 2002), the construction rate of change over the 6-year period equaled 19.9% – which closely tracks with actual fuel cost trends during this same period of 18.3%. In summary, if the District had assumed a construction inflation factor of 20% instead of the 15% factor as shown in the planning formula previously described, then the construction planning estimate would have better mirrored the actual construction costs for the project.

Historical Fuel Prices – U.S. National Trends



Gallon of Gas in Jun 02 = ~ \$1.37 Gallon of Gas in Jun 08 = \$4.07

Rate of Change (6 Yr Period) = 1.52% per month or 18.3% per year

Project Design Development

The District developed a comprehensive facility program (shown on the next page) which was used by the architect to ensure that project scope changes were kept to a minimum. Changes during the design process included: (1) addition of a spectator viewing platform below the press box to enhance safety during games and providing a rescue station to attend to spectator critical health issues while also providing a viewing platform for parents to film athletes, band, pep, cheerleader and dance and drill team performances; (2) addition of internal stairs to ground level from the press box to enhance safety and provide multiple egress routes in the event of an emergency; (3) an increase in stadium seating from 10,000 to 11,112 seats to provide comparable seating to that at Comalander Stadium and enhance use of the stadium facility to host other venues (e.g. playoff games, band marching contests, etc.). In an effort to offset the costs of these changes, parking was reduced by 283 spaces as there would be increased parking available for the facility through the sharing of parking resources between the North East I.S.D. stadium facility and the City of San Antonio soccer facility. Overall, the District's total facility design was more efficient than the initial program with square footages for the athletic support facilities, stadium ticket and office facilities, and stadium press box facility designed under program targets as shown in the table below.

Program Element	Farris Stadium Facility	Comalander Stadium Facility	New Athletic Stadium Program	New Athletic Stadium Design
Football Field and Sideline Area (sq ft)	71,000	71,000	71,000	71,000
Stadium Perimeter with Track & D-Areas (sq ft)	50,600 No Track	90,000	129,000	129,600
Total Program – Stadium Fields Area (sq ft)	121,600	161,000	200,000	200,600
Bleacher Capacity (seats)	9,060	10,952	10,000	11,112
Parking Capacity (parking spaces)	2120	2300	2300	1843
Discus and Shot Put Areas	No	Yes	Yes	Yes
Athletic Support Facilities (sq ft) Locker Rooms / Concession Stands Public Restrooms and Athletic Storage	32,316	20,589	30,000	29,513
Ticket Facility and Stadium Offices (sq ft) Ticket Booth / Stadium Offices / First Aid Station Police Station / Officials Dressing Room Entry Pavilion and Spirit Club Booths	3,476	3,537	6,900	6,652
Press Box Facility & Observation Deck (sq ft) 2 Story Press Box Constructed above Observation Deck Press Box Exit Stair Towers extend to Ground Level	7,018	8,507	8,000	7,942
Central Plant Services (sq ft)	No C-Plant	No C-Plant	4,200	4,350
Total Program – Stadium Facilities (sq ft)	42,810	32,633	49,100	48,457

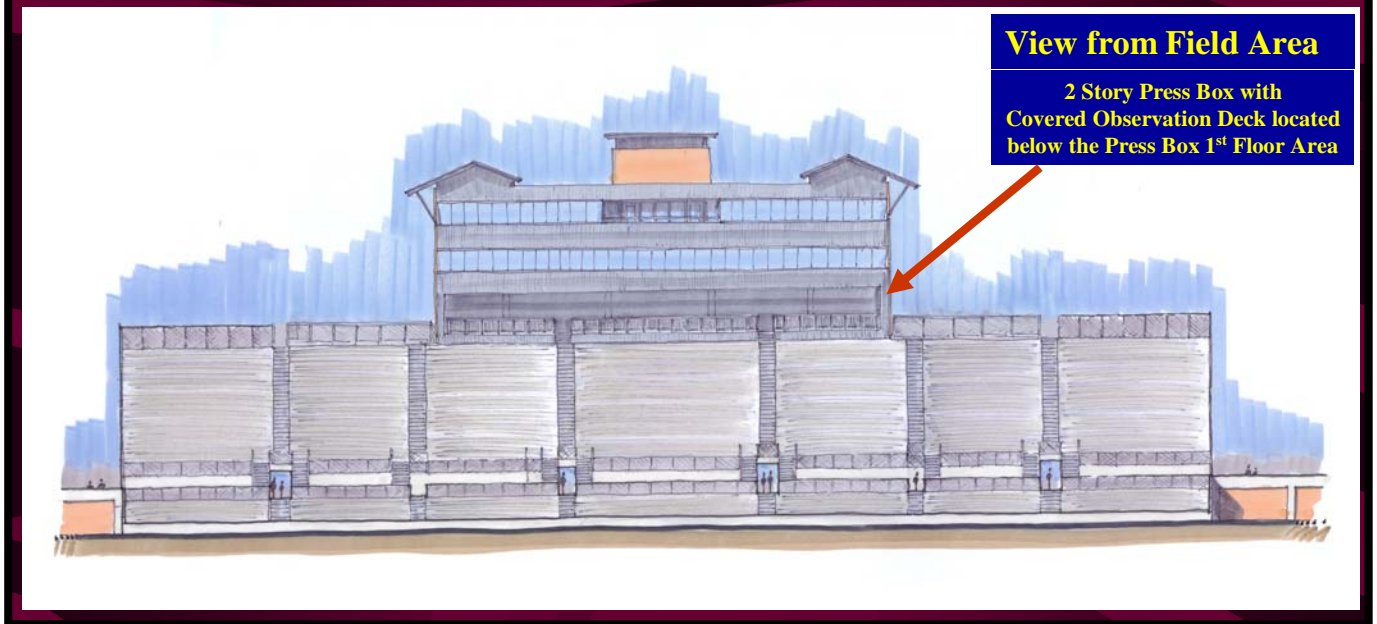
New Athletic Stadium – Budget Review

Construction Account:	\$24,500,000.00
Design Account:	\$ 1,975,000.00
Technology Account:	\$ 85,000.00
FF&E ¹ Account:	\$ 125,000.00
CM Services:	\$ 815,000.00
Grand Total:	\$27,500,000.00

Program Change (Elevate Press Box ~ 14 ft)	\$ 495,000.00
Program Change (Add PB Stairs to Grade)	\$ 380,000.00
Program Change (Reduce Parking by 283)	\$ - 500,000.00
Revised Construction Account:	\$24,875,000.00

Note 1 – FF&E = Furniture, Fixtures and Equipment

Plans & Elevations – 2 Story Press Box



Scope Change to Add the Viewing Platform below the Press Box to Enhance Safety

Public Presentations

The District presented the stadium project in public Board meetings in late 2007 and throughout 2008, as well as to the District's Citizen Bond Advisory Committee over the same period, to ensure full and open discussion during the concept formulation, design development, bidding and bid award processes.