



State of New Jersey

DEPARTMENT OF EDUCATION

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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

KIMBERLEY HARRINGTON
Acting Commissioner

December 19, 2016

*An Amended Approval per Order and Ruling, see Below**

Dr. Rocco Tomazic, Superintendent
Freehold Borough School District #1640
280 Park Avenue
Freehold, New Jersey 07728-2006

RE: SECTION 15 GRANT REQUEST, AS AMENDED from Prior Letter circa July 21, 2014

THIS GRANT APPLICATION WAS PREVIOUSLY AN APPLICATION FOR DEBT SERVICE AID, CHANGED PER ORDER AND RULING, SEE BELOW*

Preliminary Eligible Cost (PEC) / Section 15 School Facilities Grant Approval: PEC determination of a school facilities project for a regular operating district seeking Section 15 grant pursuant to N.J.A.C. 6A:26-18.1 through 18.4 for the proposed new construction.

THIS PROJECT DOES IMPACT EDUCATIONAL ADEQUACY AND IS SUBJECT TO DOE FINAL EDUCATIONAL ADEQUACY REVIEW

State Project No. 1640-040-17-1000 – New Construction, An Amended Approval*

* This Project Scope and Updated Cost Represent New Construction Portions of the following Prior DSA Projects that were Appealed to and Approved by New Jersey Office of Administration Law Judge by an Order Directing Issuance Of Bonds[/Grant] Pursuant to N.J.S.A. 18A:7G-12 (3 OAL DKT. NO. EDU 8980-15 dated December 16, 2015) and Education Commissioner (Commissioner Ruling #291-16 dated August 4, 2016) for:

Prior Project #1640-040-14-1000, and
Prior Project #1640-040-14-2000.

The scope and costs herein are result of reformulated projects: Prior Mixed Rehab/New Construction Projects were consolidated then separated into just New Construction or Rehab Projects for ease of Separation of Funding Responsibilities between the District and the New Jersey School Development Authority (Authority). Per Order and Ruling, Authority shall fund the completion of the New Construction via Grant, and District shall fund the completion of the Rehabilitation via Debt Service Aid.

**Freehold Learning Center Elementary School
Freehold Borough School District
MONMOUTH COUNTY**

Dear Dr. Tomazic:

Your District has submitted an application for a school facilities project pursuant to Section 5 or 15 of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (Act) and the New Jersey Department of Education (Department) implementing regulations at N.J.A.C. 6A:26-1 et seq.

(Regulations). This project application has been deemed complete by the Department's Office of School Facilities, has been reviewed under the Act and the Regulations, and, as a result, the Department now makes the following determinations regarding the above referenced project.

I. Department determinations:

1. This school facilities project, in whole or in part, qualifies as a school facilities project eligible for State support under the Act.
2. This school facilities project is consistent with the District's approved long-range facilities plan (LRFP) as approved or as amended. Minor project LRFP Amendments are approved herein.
3. This school facilities project meets the educational adequacy requirements, if any.
4. This school facilities project meets the schematic plans requirements.
5. The eligible portion of this school facilities project is consistent with the District's applicable proposed building inventory contained in the District's approved LRFP or with the Facilities Efficiency Standards (FES) and the area allowances per FTE student, and does not contain excess costs as defined in N.J.A.C. 6A:26-18.
6. This school facilities project, if inconsistent with the FES or the applicable proposed building inventory not related to excess costs as defined in N.J.A.C. 6A:26-18.2, has been granted a waiver for having demonstrated that the inconsistency will not adversely affect the educational adequacy of the school facility.
7. If this school facilities project or a portion of this project qualifies as rehabilitation, it is required to keep the school facilities functional for its original purposes or for new purposes, it does not increase the gross square footage of the school facility and does not include any routine maintenance, required maintenance or excess costs as defined in N.J.A.C. 6A:26-18.2, but it may include capital maintenance.
8. **This school facilities project WILL LIKELY be subject to the environmental assessment or environmental impact statement requirements of Executive Order 215.** Six (6) paper and one (1) electronic copy of this report must be presented in a timely manner to the DOE for dispersal to the NJDEP for review PRIOR to District/SDA obtaining Construction Permits. See Part IV(E) of this letter for clarification.
9. If this school facilities project is a new school, it must incorporate the guidelines developed by the United States Green Building Council known as "Leadership in Energy & Environmental Design (LEED), Version 2" or as otherwise provided by law.

II. Description of the approved school facilities project:

A. Priority: The priority ranking of the school facilities project is determined to be Tier 1.

B. Scope of Work: This is a new construction-only project. The herein approved school facilities project consists of the following components;

- The following pertain to the Proposed Three Separate Additions to the Freehold Learning Center and associated work:
 - Construct a new kitchen and receiving area to serve the new cafeteria to be built under the renovation project 1640-040-17-2000.
 - Construct (7) new kindergarten classrooms each with self-contained toilet and storage rooms,

- Construct these additional spaces: a kindergarten resource room (SGI), another resource room, an OT/PT room; along with these SGI Spaces construct (4) pre-kindergarten classrooms each with self-contained toilet and storage rooms, as well as associated corridor spaces,
- Other New Construction Work as required to meet the goals of the project.
- Construct additional upgrades to accommodate increased building area, including:
 - Utility upgrades,
 - Replacement of sewage ejector with a new larger sewage ejector,
 - Construct new utility gas service,
 - Associated site work to include paving work for a parking lot expansion, new exit driveway, relocated and expanded detention basin, and three new playground spaces,
 - Other site work as required to meet the goals of the project.

C. Conditions of approval:

- **COMMENTS (ATTACHED) FROM THE DEPARTMENT SHALL BE INCORPORATED INTO AMENDED SCHEMATIC DRAWINGS PRIOR TO BOTH FEC AND FEA APPLICATIONS TO THE DEPARTMENT. DISTRICT AGREES THERE'S NO CHANGE TO COST FOR ANY REHABILITATION PROJECT SCOPE.**
- Projects with costs over the bid threshold limit must be bid in accordance with NJ Public School Contract Law and other applicable provisions of law and regulations unless otherwise permissible by law.

III. Preliminary eligible cost (PEC) for approved SECTION 15 GRANT school facilities project:

The District's aid percentage (DAP) is as defined in Section 3 of the Act, N.J.S.A. 18A:7G-3, and State support will be equal to that percentage of FEC, except that it will not be less than 40% of final eligible cost. Therefore State support as a percentage of Debt Service Aid (DSA) is as shown at bottom-right box in table below and will be applied only to all eligible costs in the project, assuming full support of debt service for all years of debt.

This project is New Construction, therefore a Grant is recommended per Commissioner's Ruling #291-16 dated August 4, 2016, which states: "Additionally, in order to alleviate the impact of this decision on taxpayers of the district, I [the Commissioner] will treat the district's Petition as a timely application for a Section 15 school facilities grant pursuant to *N.J.A.C.* 6A:26-18.1 through 18.4 for the proposed new construction. Judge Scarola's findings make clear that the proposed new construction would qualify for funding pursuant to *N.J.A.C.* 6A:26-18.1, and thus, the district is awarded a grant in the amount equal to all costs associated with the proposed new construction."

Pursuant to the Act, the following are the Preliminary Eligible Costs (PEC) for the school facilities project, the Total Project Costs, and the current State DAP for your District (which is greater than original approvals' DAP of 66.8876%, and is now 100% for new construction):

PRELIMINARY ELIGIBLE COST (PEC) CALCULATIONS, WHERE DAP = 100%

PEC Calculations for SP#: 1640-040-17-1000

District: Freehold Borough

DESCRIPTION	GSF (Proposed)	Cost (Estimated Actual)
PRELIMINARY ELIGIBLE COST CALCULATION		
New Construction: Eligible Component (estimated)	19,426 GSF	\$ 11,936,250.00
Rehabilitation: Eligible Component	0 GSF	\$ 0.00
SUBTOTAL PRELIMINARY ELIGIBLE COST (PEC)		\$ 11,936,250.00
INELIGIBLE COST CALCULATION (LOCAL SHARE)		
New Construction: Ineligible	0 GSF	\$ 0.00
Rehabilitation: Ineligible	0 GSF	\$ 0.00
SUBTOTAL INELIGIBLE COST (LOCAL SHARE)		\$ 0.00
TOTAL OF NEW CONSTRUCTION AND REHABILITATION		
TOTAL: New Construction (estimated)	19,426 GSF	\$ 11,936,250.00
TOTAL: Rehabilitation	0 GSF	\$ 0.00
TOTAL PROJECT COST		\$ 11,936,250.00

NOTES:

- a. The estimate of the project is as provided by SDA, includes all soft costs, and does not include certain ineligible costs such as District-provided trash cans and other such District F&E<10 years, etc.,
- b. The GSF of the project stems from the figures provided by the SDA. Ineligible and Eligible components of the project, if any, are determined by the Department based on P.L. 2000, c. 72 and N.J.A.C. 6A:26-1.1 et al,
- c. In the case of a New Jersey Schools Development Authority district, the funding of any ineligible excess costs through the New Jersey Schools Development Authority via district annual budget, referendum, etc., will require pre-approval by the Department and the New Jersey Schools Development Authority.

NOTE: There are no ineligible costs for this new construction project.

IV. Actions to be taken:

- A. Introduction:** For District-constructed Projects, the District has options as to whether to accept or appeal the Department's determinations of space eligible for State support and PEC. Further, the District will need to take certain actions depending upon whether the project is subject to final plan and specification review. Please note that this determination is limited to the spaces in the proposed building inventory for the above referenced school facilities project.
- B. For Authority-constructed Projects, the Authority may determine FEC after bids are made, and after FEA is given.**
- C. District elected options:** For District-Constructed Projects, upon receiving this PEC letter, law requires that District make the following elections: (1) State funding source; and (2) Acceptance of PEC as Final Eligible Cost (FEC).

Unless District does not agree with the following and it also notifies the Department prior: Thirty (30) days after the date of this PEC letter the Department can issue an FEC letter with Debt Service Aid as the State funding source and the FEC equal to the PEC.

The following information is only for District-constructed projects, where District does not accept the PEC as the FEC:

In the case of a county special services school district or a county vocational school district, a determination of FEC, if other than acceptance of the PEC, will require approval by the board of chosen freeholders

The District has the option to defer the acceptance of the PEC only on new construction (related to allowable eligible cost of \$143/gsf). If the District chooses to defer a decision, they must develop detailed plans and specifications by a design professional. At this time the District may appeal to the Commissioner of the Department for an increase in PEC (based on the \$143/gsf) in an amount not to exceed 10% of the PEC, if such plans indicate that the cost of constructing the approved school facilities project exceeds the PEC as determined by the Commissioner.

Please be aware that a District may not seek approval of the local support (e.g., school bonds, lease purchase, etc.) for the school facilities project until the Department has notified the District of the FEC for the project. Therefore, deferring the decision to accept the PEC will prevent the District from holding a referendum.

D. Educational adequacy and Uniform Construction Code review:

If the school facilities project does not require educational adequacy approval, the District is not required to make a final educational adequacy submission to the Department or pay the Department final educational adequacy review fees. The District may advance the project, including review for Uniform Construction Code (UCC) compliance as required. The district may now contact their local code official for code review. If the District prefers to have State review its plans for UCC conformance, a completed approved application including NJDOE project number should be sent directly to the New Jersey Department of Community Affairs, Division of Codes and Standards, Education Unit. For contact information please refer to their web address at: <http://www.state.nj.us/dea/divisions/codes/offices>.

If the school facilities project requires final educational adequacy approval, the District/Authority must apply with a complete Final Application to the Department for such approval, including the total review fees in the amount as determined under N.J.A.C. 6A:26-5.5. Submit this Final Application to the Department prior to proceeding with review of its construction documents for UCC conformance: only after Final Educational Adequacy Approval may the District advance their project for final Code Review.

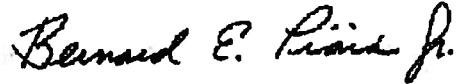
E. Executive Order 215: School facilities projects meeting certain State assistance percentage (at least 20% of total project cost) and cost thresholds (total construction cost in excess of \$1 million) and not otherwise exempted (exemptions include rehabilitation and new construction not increasing the building's capacity by more than 25 percent) are required to comply with E.O. 215, including the preparation and submission of an environmental assessment or an environmental impact statement as applicable, prior to site preparation and/or construction activity.

F. Final eligible cost and local support: A District may not seek approval of the local support (e.g., school bonds, lease purchase, etc.) for the school facilities project until the Department has notified the district of the FEC for the project. Also, no school facilities project may be constructed unless, if there is a local support amount, such local support has received approval as set forth in N.J.A.C. 6A:26-3.7. However, a District may seek approval of the estimated local share in its annual budget prior to a determination of FEC, pursuant to N.J.A.C. 6A:26-3.6.

Please note that this project, as submitted, is approved for Grant funding only. If the District is requesting State funding support in the form of Debt Service Aid, please contact the Department's Office of School Facilities.

Please contact your Educational Facilities Specialist Jeanne Dunn at the Department's Office of School Facilities and Finance with any questions regarding this matter at (609) 341-3097 or by email to jeanne.dunn@doe.state.nj.us, or feel free to contact me directly at (609) 984-5351 or by email to bernie.piaia@doe.state.nj.us.

Sincerely,



Bernard E. Piaia, Jr., Director
Office of School Facilities and Finance
BEP:jrd

enc: Department's Comments, to be incorporated into amended Plans prior to FEC or FEA

- e: Kimberly Harrington, Acting Commissioner
- Kevin Dehmer, Chief Financial Officer and Assistant Commissioner, Division of Finance
- Jeanne Dunn, Educational Facilities Specialist, Office of School Facilities and Finance
- Lester Richens, Office of the Executive County Superintendent, Monmouth County
- David Joye, Office of the Executive County Business Official, Monmouth County
- Gregory Voronov, NJ Schools Development Authority
- Joseph Howe, District School Business Administrator
- William Hopkins III, Fraytak Veisz Hopkins Duthie P.C., District's Consultant

Attachment to PEC Letter for 1640-040-17-1000, a New Construction Project:

The following comments are to be discussed with the NJSDA and/or included with the completed, corrected FEA application; the District has stated to the Department that no costs shall change as a result of these clarifications/corrections, but the SDA has an adjustable cost schedule per court order.

Generally needed:

- EO-215 applies. Submit report as required at time of FEA.

Other:

1. Site Plan:

- Show traffic patterns in site plans, including method for kitchen receiving, pedestrian access and bus drop-off/pick-up as well as visitor parking and parent drop-off/pick-up.
- Indicate the homeland security features added to site plan, building plans as needed for protection/security.
- Indicate curbs, as well as Barrier-Free travel curbs, ramps, pathways as required from all drop-off areas.
- Use slashes to indicate new drive-way limits and parking expansion, and call out all (3) building additions.
- Show bus paths in driveways to confirm accessible routes.
- Show EXACT PHYSICAL LOCATION and Right-of-Way/Easement for Henry Hudson Trail, to indicate where it begins and continues, as it appears it may terminate outside of the proposed construction. Adjustment of driveway location may be needed to avoid/reduce any conflict.
- Show Rights-of-Way of adjacent streets.
- If significant site plan changes made: Planning board review is required for site plan including showing all existing/proposed utilities and utility work; include poles, sewer, sewer ejector, gas service, electrical service, OHW and trenches as applies, etc.

2. New Construction Plans and Details:

- Show all new work on New Construction Plans including corridors, lockers, widths, etc. and used dashed lines to indicate rehab work so new construction work makes sense,
- Classrooms: show ADA sink, cabinets in each room, and ADA tables in MD Resource Room, and bubblers for K/PK,
- Doors cannot open into baby changing areas; as a rule storage rooms can open in, but bathrooms should open out for non-interference of BF floor space and also the baby changing tables,
- Indicate the MINIMUM ceiling heights before interference, not just "ceiling height,"
- Show interior as if the Rehab portion of the project was complete. Use dashed to distinguish rehab project from this new construction project (bold lines).
- Show locations of ALL electric outlets, db outlets, PA, clock, telephone and outlet, etc.,
- Add all educational requirements to notes.