



Massachusetts School Building Authority

Timothy P. Cahill
Chairman, State Treasurer

Katherine P. Craven
Executive Director

MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: Katherine Craven
DATE: September 30, 2009
RE: Update on Methodology for the Awarding of Renovation/Reuse Incentive Reimbursement Points

The MSBA can award Incentive Reimbursement Points for the renovation or reuse of an existing school facility. The proposed changes to the regulations that govern Renovation/Reuse Incentive Points are as follows:

(h) Renovation or Reuse of an Existing Facility. The Authority, in its sole discretion, may allocate up to five incentive percentage points (5%) for an Approved Project if the project is a renovation of an existing facility that requires no new construction. The Authority may award an amount less than said five percent for an Approved Project which has a combination of renovation of an existing facility and the building of some additional square footage for new educational space, based on a sliding scale that relates the percentage of renovated space to the percentage of newly constructed space. The Authority shall not award any incentive percentage points from this category for construction of a new school facility.

The MSBA plans to use a sliding scale based on the percentage of gross square footage of the facility (including any new square footage) with the gross square footage of the portion of facility that will be renovated/ reused. This calculation will then be multiplied by the 5 available points to determine the final amount of Renovation/Reuse Incentive points that may be awarded. It should be noted that districts that are approved to construct a new school facility are not eligible for these incentive points.

Below are three illustrative examples that show how this calculation will work.

Example 1: District A is approved for a renovation of School 1 which has 100,000 square feet and all 100,000 will be renovated with no new square footage added. The calculation of the Renovation/Reuse Incentive points would be:

$$100,000/100,000 = 1 \quad 1 \times 5 = 5.$$

This district would receive 5 Incentive points.

Example 2: District B is approved for a renovation/addition project to School 2 which has 75,000 existing square feet which will be renovated and will also have an addition of 25,000 square feet of new educational space. The calculation for District B would be:



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$75,000/100,000 = .75$ $.75 \times 5 = 3.75$.
District B would receive 3.75 Incentive Points.

Example 3: District C is approved for a renovation/addition project to School 3 which has 10,000 existing square feet which will be renovated and will also have an addition of 90,000 square feet of new educational space. The calculation for District B would be:

$10,000/100,000 = .1$ $.1 \times 5 = 0.5$.
District B would receive 0.5 Incentive Points.

The implementation of this methodology will require that MSBA staff receive from the District's design team schematic drawings that clearly indicate the areas that will be renovated/reused and what areas that will be new square footage. In addition, MSBA staff will also need to receive a certification from the designer of the gross square footage of renovated space and newly constructed space. This will allow MSBA staff to review the schematic designs, ask any questions that may arise from the drawings and perform the calculation for the incentive points.

This methodology was chosen because it is simple to implement, logical, easily explained to districts and the public, and it encourages districts who wish to receive incentive points from this category to consider maximizing the square footage of renovated/reused space.