

Gary Community School Corporation

Roosevelt Building Status Update

February 4, 2020

## Forum Agenda

1. GCSC buildings
2. Approximate annual building costs
3. Approximate annual revenue
4. GCSC & EdisonLearning contract
5. February 2019 incident
6. First estimated costs
7. July 2019 Community Forum
8. Second estimated costs
9. GCSC recommendations
10. Community comments and feedback

## GCSC Buildings

- GCSC maintains 11 occupied buildings and the Roosevelt building
- Maintains includes
  - Utilities
  - Custodial
  - Repairs
  - Grounds
- Preventative maintenance
- Major maintenance

Approximate Annual  
Property Tax  
Revenue for all  
GCSC Buildings

- Property Tax Revenue ~ \$2,500,000
- Building Maintenance ~  
\$10,000,000
- Revenue ~ \$ 2,500,000
- Shortfall ~ \$ 7,500,000
- Based on 2018 data

Contract between  
GCSC and Edison  
Learning Inc.

- Effective July 1, 2017
- Timeframe is 5 years
- Terms negotiated by GCSC Board of Trustees and EdisonLearning

## Contract between GCSC and Edison Learning Inc.

- “The Operator (EdisonLearning) shall have full operational autonomy to run the School as set forth in this Agreement and in accordance with Applicable Law.”
- “Facilities (Roosevelt) are owned by the GCSC ..... the costs and expenses for the repairs and renovations of the Facilities ..... are the sole financial responsibility of the GCSC”.

February 2019  
Incident at the  
Roosevelt Building

- Extreme Winter Weather
- Significant damage to pipes, univents
- Minimal\* damage to boilers
- Significant water damage
- Significant cleaning required
- Prior condition of the building – deferred or neglected maintenance
- Occupancy permit will require environmental remediation
- Video of damage on the GCSC web site  
[www.GaryCSC.k12.in.us](http://www.GaryCSC.k12.in.us)

First Estimated  
Costs due to  
February Incident  
and Prior Condition

\$2,400,000 for initial repairs

+

\$6,000,000\* for estimated additional  
repairs from February incident

+

Boiler repairs if necessary

+

Cleaning

+

Environmental remediation



July 2019 Roosevelt  
Building Status  
Update Community  
Forum

- Same information presented so far tonight
- ~70 people and ~13 speakers
- Importance of the building
- Strong desire for a second estimate

## Second Estimated Costs due to February Incident and Prior Condition

- GCSC issued a Request for Quotes (RFQ) to repair and renovate the Roosevelt building
- Powers and Sons of Gary submitted a quote
- Estimated costs between \$9,650,000 and \$15,000,000
- Second estimate consistent with first estimate

## Proposed Property Insurance Payment

- GCSC does carry property insurance on all buildings
- Property insurance premium is ~ \$800,000 per year (2020)
- The deductible, the amount GCSC pays before insurance pays, is \$250,000
- Proposed insurance claim settlement is ~ \$800,000

## Conclusion by GCSC for the Roosevelt Building

- GCSC recommends to DUAB to not spend the millions of dollars required to repair and renovate the Roosevelt building
- GCSC recommends issuing a national Request for Proposal (RFP) for entities, organizations or individuals to assume ownership of the Roosevelt building for the greatest benefit of the Gary community

## Community Feedback

- Comments limited to 3 minutes per person so all speakers have time
- Comments are not a question and answer session so all speakers have time
- Email comments to [duab@duab.in.gov](mailto:duab@duab.in.gov)