

[News](#) > [Local/State](#) > [Education](#)

Wake County school construction costs higher than expected

BY T. KEUNG HUI

khui@newsobserver.com January 15, 2015

Wake County's expansive school-construction program is costing more than expected, raising fears that its nearly \$1 billion budget will run out before some projects can be completed.

School administrators say the first group of projects largely funded by the 2013 school construction bond issue cost more than anticipated. The trend is accelerating to the point that some school leaders say the district should prepare a "worst-case scenario" if the original plan for 16 new schools and six major renovations can't be completed.

School board member Kevin Hill said the district should begin developing a "Plan B" and discuss the situation soon with the Wake County Board of Commissioners.

"I'm just concerned that we're going to run out of money before we run out of schools to build," Hill, chairman of the board's facilities committee, said at an update on the building program this week.

Administrators will ask county commissioners for an advance of \$53 million — planned for next year's spending — in hopes of getting ahead of further increases in land costs and other work.

Voters approved an \$810 million school construction bond issue in October 2013, paving the way for \$990 million in projects. But during the past few months, bids have come in progressively higher than projections.

Last week, school administrators told the board that they expect to need \$9.5 million from an \$18.7 million contingency fund to cover higher costs. But since then, bids came in \$6 million higher than expected for the new Green Level High School in Cary. Administrators said Wednesday that contracts at that level would leave the contingency fund with \$3.3 million.

'Crystal-ball thing'

Administrators cited various factors such as higher costs for structural steel and receiving fewer bids than expected. Officials say they've also seen higher costs for site work, which includes retaining walls and athletic fields, and for public infrastructure, which includes extending water lines and road improvements.

"The bid market is so vulnerable right now," said Joe Desormeaux, the school system's assistant superintendent for facilities. Fewer contractors are bidding for the work, Desormeaux said, adding that "the ones that are out there are really busy."

With the majority of the projects still to be bid, Desormeaux said it's a "crystal-ball thing trying to guess what will happen."

"The bottom line is we don't know very much right now," he said. "It's still too early. What we've done is see what we can figure out."

This isn't a new issue for school construction programs.

Higher-than-expected costs after voters approved a \$450 million school construction bond issue in 2003 caused some projects to be delayed. But better-than-expected costs after voters approved a \$970 million bond issue in 2006 came during the economic downturn and allowed the district to fund more projects than planned.

The higher prices shouldn't be a surprise, according to Dave Simpson, interim president of Carolinas AGC, a trade group for associated general contractors.



Workers assemble scaffolding at the site of the new Abbotts Creek Elementary School on Durant Road in Raleigh, where they are racing to finish construction for the three-story building to be open in time for August. School project costs are coming in higher than anticipated. **CHUCK LIDDY** — cliddy@newsobserver.com | [Buy Photo](#)

Work, prices increase

"Since 2008, anyone doing construction projects has been used to bargain-basement prices," he said. "Work is starting to pick up. There is starting to be a major labor shortage, and when demand and cost go up, so do prices. It's basic economics."

The higher costs are also raising questions about the way the state's largest school system handles construction projects. School leaders have said that the "construction manager at risk" method they use for major projects ensures quality and better control of the work. The method, in which a company is hired to manage but not do the actual construction, led to some subcontractors complaining to commissioners last year that it was cutting them out of projects.

Simpson said it might be worthwhile for Wake to consider diversifying the way it awards construction projects. Simpson said the members of his trade group are divided on which method should be used.

Before 2007, the school system used the single-prime construction method, in which all the work is bid out in a single package. The contractor could do the work or have some of it done by subcontractors.

Desormeaux said there's no reason to believe the financial situation would be better if they hadn't used the construction manager approach.

Asking for advance

In a move aimed at cutting down on some future costs, school administrators say they want to take advantage of an option mentioned by county staff in which the district could get an advance on money scheduled to be provided in 2016.

The school district has identified \$53.3 million in projects that can be accelerated if the county provides the money this year. The list includes items such as \$12.7 million for buying land for schools, \$12 million for buying technology and \$10 million for life-cycle projects such as replacing roofs and air-conditioning units.

"If you can buy land sooner ... you want to get it before the developers," Desormeaux said.

NEWS > LOCAL > COMMUNITY > FORT WORTH



Fort Worth school trustees blast bond program supervisor

BY YAMIL BERARD - YBERARD@STAR-TELEGRAM.COM

01/13/2015 10:00 PM | Updated: 01/17/2015 6:04 PM

FORT WORTH — Officials with the Los Angeles-based company hired to oversee construction in the \$490 million bond program approved by voters in 2013 were in the hot seat Tuesday night because of anticipated cost overruns.

Trustees Ann Sutherland, Christene Moss, Matthew Avila, Ashley Paz, Judy Needham and Tobi Jackson all said they were outraged that after months of delays, AECOM Inc. has not provided a comprehensive management report including a new construction schedule and updated costs on projects based on the current market.

“We should be damn close to a comprehensive report,” Avila said. “We need to ... get it done.”

A recent analysis found that more than \$100 million in projects are at “high risk” of going over budget because of anticipated overruns of up to 40 percent. The worry is that the district will run out of money before it can provide the classroom additions, school renovations and replacement campuses promised to voters.

The district has paid AECOM more than \$30 million since 2007, including \$2.5 million to conduct a districtwide needs assessment before the 2013 bond vote.

The analysis showed that two new replacement elementary schools, at \$12 million to \$18 million each, and \$13 million in upgrades to field houses at every high school are expected to exceed projections by 20 to 40 percent.

Cost overruns are also expected to affect construction of the district’s two showcase academies — the Visual and Performing Arts Center and the STEM Academy for students who desire careers in math and science.

Interim Superintendent Pat Linares said she agrees with trustees’ assessment.

“You’re right, Mr. Avila, Christene, everybody,” Linares said. “The longer we wait, the longer it will take us to get something done.”

Needham acknowledged the company’s role in the 2007 bond program, which she said was completed on time and on budget, when market conditions were better.

But AECOM failed to do due diligence on the 2013 package, Needham said. It did not discuss construction details with principals, for example, Needham said.

“I want this community to know ... you really let us down — the board, the community and, worst of all, we’re cheating the children,” Needham told AECOM project manager Wayne Warren.

“AECOM got paid a whole lot of money, and now you’re getting paid to help us do this thing and you don’t have a solution as far as I’ve heard.”

At one point, Needham asked, “Is this bond going to come in on time and on budget?”

Warren responded: “If we continue at the rate that we’re going right now — we’re not moving on various projects — we will not finish on time. It will also impact the budget. If market conditions continue in the same



Westpark Elementary is one of the Fort Worth school campuses that is supposed to get an entirely new building under the 2013 bond program. JOYCE MARSHALL / STAR-TELEGRAM ARCHIVES

fashion that they have in the previous year, an approximate one-percent-a-month increase in cost, we would not come in on budget.”

Paz expressed frustration.

“It’s going to be very hard for me to sacrifice something that was promised to the public,” Paz said. “To deliver less than what we have promised the people of Fort Worth over something we don’t know about without having proper planning put into this, it’s going to be a very difficult decision for me to make and it’s not something that I’m going to do lightly.”

Ricardo Salinas, a top AECOM official, acknowledged that the company missed projections.

“I understand the frustration,” Salinas said. “We’re all frustrated with the situation. When we were budgeting this, there was no way we could have seen 40 percent [escalation in construction costs]. We want what’s best for the kids just like everybody else.

“It’s a very difficult situation. There’s no doubt about it.”

Bert Williams, a member of the citizens’ advisory committee that scrutinized bond expenditures, urged trustees to become more involved in planning and implementing the bond program.

“Hopefully, we can take all the politics out of what’s going on, because we all know there’s a lot of politics going on,” Williams said. “You have the ability to do what’s right. Each one of you told the people you were there about the kids. We’re hoping that is still true and you’re still doing that.”

The district is trying to get a handle on escalating costs. Several weeks ago, Linares recommended \$43 million in potential cuts and savings, including building fewer pre-kindergarten and regular classroom additions and deferring maintenance at school facilities.

Linares also recommended that the district not spend money immediately for new auditorium seating at some schools.

Vicki Burris, the district’s chief officer for capital projects administration, has said almost every project in the 2013 referendum was based on a square-footage cost far below the market value. The bond was passed on a price projection of \$180 per square foot, but contractors say the work will cost at least \$216 per square foot.

Also Tuesday night, the board voted 8-0 to designate \$10 million to install turf at a dozen high schools.

The board’s next regular meeting is Feb. 10.


[Spring > Spring News](#)

Tomball ISD may face bond deficit as construction costs rise on new schools

By Bryan Kirk | December 18, 2014

The \$160 million bond approved in May 2013 by voters in Tomball may not be enough to cover the list of proposed improvements and new construction planned in 2015 and 2016.

According to cost estimates related to new construction, the district is looking at a deficit of \$8.2 million.

"We kept looking at cost estimates on project," said Jim Ross, finance director for Tomball ISD. "We wanted to see what was going on with the construction market, the boom we are seeing and what affect it will have on our projects, because we have a set amount of money we will use ... We are facing some very significant cost increases."

The increases will affect some of the on-going construction costs, such as the building of Oakcrest Intermediate, which is slated to open in August 2015. The initial cost of \$19.6 million for the new school, is now projected at just over \$20 million, and the construction of Creekside Park Junior High in The Woodlands, which was projected at \$42.2 million, will cost \$2.5 million if the current inflation rates hold for the coming year.

Last year, voters approved the bond that is in the process of building three of the four new school campuses in Tomball ISD as well as adding security and technology upgrades at each campus, and improving transportation throughout the district.

Gary Hutton, TISD's director of construction, said the district used historic inflation rates from the Associated General Contractors of Houston as a way of projecting the estimated cost for these projects for new construction and subsequent upgrades at existing campuses.

According to those projections the inflation rates varied between six to seven percent between for projections for the years 2013 through 2017.

However, according to other sources, inflation could go as high as 12 percent for construction costs next year, and even higher the year after that.

"For 2012, 2013, 2014, 2015, 2016 and 2017, we really had to guess at those construction numbers would be," Hutton said. "We knew what the inflation rates were previous to that, but coming up on 2012, we really had to come up with some numbers."

Hutton said the district also studied the Gilbane Builders Economic Report for 2012 — a national average for construction inflation, which had similar projections the Associated General Contractors of Houston, in 2012.

However, the inflation numbers from the GC/CEFPI Economic outlook for Houston and Durotek shows an inflation rate fluctuation from six to seven percent in 2013 and a rate of nine to 12 percent in 2015.

"We tried to be conservative and look at what the market was doing," Hutton said. "We went with the lower numbers that what Durotek (projected), and in hindsight that was probably an error because the numbers we are seeing right now are high."

Hutton said the cost increases are coming in due part to labor shortages for subcontractors in the Houston area, as well as concrete shortages and long lead times for critical components. Subcontractor fees and availability are also contributing to cost surges and increasing rate of inflation.

All of those factors are also impacting the building boom in downtown Houston and may also impact subsequent school district bonds in the Klein, Katy and Cy-Fair school districts.



Photo By Jerry Baker/Freelance

Tomball ISD's Oakcrest Intermediate School, located on Shaw Road, is scheduled to be open for the 2015-2016 school year.

"We don't have difficulty getting the money to build, we have difficulty getting the talent to build," Hutton said.

The other concern, Hutton said, is that when talent levels fluctuate, subcontractors run the risk of going out of business, because they don't have the financial resources.

According to Forbes Magazine, the Houston area saw an estimated \$25.1 billion in new construction in 2014, compared to \$9.1 billion in 2013.

A majority of the projects were plant construction projects in the oil and gas industry, which drains the pool of welders, pipefitters, and electricians.

"This is what is causing the labor shortage," Hutton said. "There is so much work out there that people can pick and choose where they want to work and you've got to take what their rates are."

Ross said things could still change in the coming year if the boom slows down and allows subcontractors to catch up.

However, the board of trustees will have to look at each project as they come up for bid.

"These numbers are likely to change again in the future," Ross said. "At this point, we're making some revisions to project costs."

By The Numbers: The Tomball ISD will have tough choices ahead as they work on the proposed projects for Bond 2013 that totaled \$160 million. Moving forward, the district is looking at an additional cost of \$8.2 million. Some of those increases include:

Oakcrest Intermediate

Initial cost: \$19.6 million

Cost to date: \$20.8 million

Creekside Park Junior High

Initial cost: \$42.2 million

Cost to date: \$44.7 million

Upgrades at Decker Prairie and Lakewood Elementary

Initial cost: \$9.4 million

Cost to date: \$12.5 million

Construction Citizen



Houston's Monthly Metrics: December

by Candace Hernandez on Thu, 12/04/2014 - 1:30pm

The following article originally appeared in the December newsletter to clients of Kiley Advisors, LLC for the purpose of providing the latest leading indicators and industry issues to those clients. Reprinted with permission.

As the year comes to a close, Houston did significantly better than we expected. We started the year by telling you to expect the “new normal,” the Greater Houston Partnership’s forecast of 69,800 new jobs, 30,000 new home starts and 12,000 multi-family units to be built in 2014. And eleven months later, we are expecting over 100,000 new jobs, 18,000 multi-family units delivered thus far with another 24,500 under construction and an estimated 30,000 new homes. This year was a much better “normal” than anyone expected, so will this be the “normal” in 2015?

This year has taught us that we are still primarily an energy-driven city. The shale boom has kept Houston out of the recession that so many other areas have experienced over the last several years, and has boosted our city’s profile on a global scale. And as long as the price of oil stays above \$75 and, as Dr. Bill Gilmer warned in his bi-annual forecast, OPEC does not drive the US into a swing producer of oil – thus creating a cyclical economy for oil and gas – Houston will continue to thrive in 2015.

Absent a decline in the price of oil below \$70, which then takes an estimated four months to hit the Houston’s economy according to the Houston Branch of the Federal Reserve Bank, there will still enough projects in the different market segments to keep contractors very busy next year. Hospitals and schools are expected to pick up steam in 2015, as they have lagged until now. Office, light industrial and retail are all expected to remain strong – helped by the new segments of the Grand Parkway opening up and creating access to undeveloped land. Residential construction is expected to start 35,000 new homes and finally catch up to the demand they have been lagging behind for the last two years, while multi-family may see a return to a more “normal” market, as they are at risk of becoming oversaturated.

The continued bottlenecks will be the materials and labor. The Grand Parkway, a 212 mile long freeway, is currently 2.2 percent of the total concrete in the U.S. – meaning these prices are not likely to stabilize until the road construction is completed, which currently has the segments from 290 to 59N slated to open at the end of 2015. And labor shortages will persist across all markets. An executive from Zachry Construction was noted as saying they are 65percent short of their workforce needs and have been increasing wages 8percent a year, with the expectation of increasing that by double digit percentages going forward. With the per diems offered and the overtime on top of that, the average industrial construction worker can expect an annual salary in the \$100k range! This will only tighten the commercial market further as we struggle to compete for the skilled worker.

So are we back to normal in 2015? I would expect that 2015 will be closer to the “normal” predicted by the Greater Houston Partnership than we saw in 2014, but still a bit busier and not without its hurdles.



Competitive construction market hits growing school districts

Posted on October 23, 2014 | By Leah Binkovitz

Texas has been posting strong jobs numbers for awhile, from oil and gas to medical industries. The state's so-called "miracle" has paralleled a more modest national recovery in which demand for new construction has finally picked up. But a resurgent construction industry means steeper costs and more competitive labor markets.

For school districts like Katy, Fort Bend and Lamar, all of which have bond issues on the ballot this November, or Klein and Conroe, both planning for bonds in the near future, this means that the new schools meant to address swelling enrollment will come with a higher price tag than they might have even just a year ago.

"Texas has been at the top of the standings in terms of numbers of workers added in the last few years," said Ken Simonson, chief economist with the Associated General Contractors of America. "It's an extremely hot market. It's coming not just from paces out west but right in Houston you have all these oil and supply companies building new headquarters and activity around the port."

A new AGC of America survey of some 1,000 construction firms concludes that not only is the industry finally showing some growth but that it's also struggling to keep up with demand and find workers. The upturn, said Simonson, comes after a five-year decline, during which the industry had the deepest drop-off in employment compared to other sectors. Some 2.3 million workers lost their jobs from 2006 to 2011, said Simonson. Many of those workers moved on to other industries and construction has been one of the slowest sectors to recover, said Simonson.

In Texas, many workers laid off from construction jobs during the recession found work instead in oil and gas. And that's something that's fundamentally reshaped the post-recession market, according to Simonson, who said the construction industry is still short-staffed. One Houston builder even put guards on its job sites to keep other companies from poaching workers.

Though school construction was down overall across the country, districts in Texas, particularly suburban districts have been overwhelmed with demand.

Nationally, school construction costs, which include higher education facilities as well, rose 3.5 percent in the past year, versus the consumer price index, which measures inflation generally, which rose only 1.7 percent, according to the Bureau of Labor Statistics.

Some districts foresaw the coming swell and were able to take advantage of the construction industry's lull to get competitive rates on new buildings. But others that delayed floating bonds during the recession, unsure of how the downturn might affect population growth, are now contending with rising construction costs.

At Katy ISD's recent board workshop, for example, the district addressed alternatives for managing growth should the bond fail this November, including the possibility of offering up another bond to voters this spring. But Superintendent Alton Frailey warned that costs would likely rise by then. "You wind up paying more money and having fewer projects," he told the board.

Thomas Gunnell, Katy ISD's chief operations officer, said that it isn't just competition with other school districts looking to build that is driving up those costs. Projects like the Grand Parkway, the new ExxonMobil headquarters in The Woodlands and others are some of the big cost drivers in the region.

In Texas, where project managers and laborers make up the bulk of the construction industry jobs, the surveyed firms reported having the most difficulty filling project managers and certain craft worker positions like roofers and iron workers.

Because of the competition, districts are looking at bids higher than they were even a year ago partly due to companies paying more in overtime and wages, according to Simonson. And getting those more expensive projects may prove difficult.

"Another possibility is that projects will face delays because the workers just aren't there when expected," said Simonson. "Somebody has dropped his tools and headed off to Odessa or something. And, of course, that's pretty disastrous for a school with a fixed opening date."



Construction crews and welders work on the Avera warehouse being built on September 10, 2014 in Pasadena, TX. Houston Chronicle/Thomas B. Shea

Construction demand, other factors could affect Klein ISD 2015 bond costs

by Matt Stephens September 23, 2014

The availability and cost of construction materials and the demand for construction projects in the area could lead to increased prices for new schools included in Klein ISD's bond referendum next May.

Robert Robertson, associate superintendent for facilities for KISD, said there are numerous factors affecting construction costs in the region, including the price of concrete, wage increases and the availability of subcontractors and construction materials, such as glass and steel.

With construction projects on the rise in the area, including retail, residential, hospitals and even schools, Robertson said the high demand continues to exacerbate the shortage of workers and construction costs.

"All of this activity is driving construction [costs] up," he said. "We're all using the same contractors and we're all subject to the same materials."

Robertson said there has been a 40 percent increase in building permits in Houston this year compared to last year, a total of \$8.5 billion in construction costs across the city. He said there are as many as six significant petrochemical projects in the Greater Houston area and more than \$6 billion in bond money being used at schools in the region.

KISD has already seen construction costs rise among schools built in the last several years. Zwink Elementary, which opened in August 2012, cost \$124 per square foot to construct, while French Elementary construction costs increased to \$165 per square foot in only three years.

With the elementary school in the Willow Lake Village subdivision scheduled for completion in 2016, Robertson said construction costs would likely be at least \$175 per square foot.

"An elementary school could cost us \$30 million to build when we used to build it for \$15 [million]," Robertson said.

Robertson presented the data on construction costs Sept. 22 to the dozens of community members participating in the second steering committee meeting for the district's 2015 bond. The committee is working on narrowing down a list of about \$700 million in district-wide projects prior to a presentation being made to the KISD board of trustees in December.

The most significant piece of new construction likely to be included in the bond is High School No. 5. Although about \$60 million remains from the 2008 bond authorization for the project, the district anticipates needing another \$100 million to fund the school, which could open in the fall of 2017.

However, increasing construction costs could lead the school to cost \$15 million—\$20 million more than anticipated, Robertson said. Klein High School, which was recently reconstructed in time for the 2014-15 school year, cost \$165 per square foot. However, High School No. 5 could cost as much as \$235 per square foot to construct.

Robertson said he would have a better idea of the construction costs of High School No. 5 by the third steering committee meeting Oct. 28. A community dialogue will be held for the public before then on Oct. 20 at the KISD Multipurpose Center.



Klein High School No. 5 is planned for completion in August 2017.

The steering committee will meet one final time Nov. 11 to finalize the recommendations for the bond before a presentation is made to the board of trustees Dec. 8. The board can then choose to accept, modify or reject the proposal presented by Superintendent Jim Cain to the board in January.

For more information on KISD or the 2015 bond, visit www.kleinisd.net.

HOUSTON BUSINESS JOURNAL

Office construction reaches highest level since 1980s

Oct 3, 2014, 12:22pm CDT | **UPDATED:** Oct 3, 2014, 2:00pm CDT

Jenny Agee-Aldridge

Reporter-

Houston Business Journal

Office space under construction in Houston has increased by about 54 percent over the last 12 months. More than half of that space is leased or committed, with large tenants that are moving or expanding taking the bulk of the space.

It's the highest level the area has seen since the boom of the 1980s.

"Most of the larger tenants make commitments well out in front of their lease expirations or expansion needs, and these tenants need to secure their options early," said Wade Bowlin, executive vice president of Houston-based PM Realty Group. "Being the lead tenant also typically means that they are the first in the building to secure expansion rights to enable future growth, which is a key factor in the current demand for new office space."

There is currently 19 million square feet of office space under construction in the Houston area. About 36 percent of that is corporate-owned office space, and includes Exxon Mobil's 3 million-square-foot campus in north Houston, Phillips 66's 1.1 million-square-foot campus in Westchase and Southwestern Energy's 515,000 square-foot office building in Springwood Village, according to PM Realty.

About 5.4 million square feet of new space is expected to deliver by the end of the year, which will bring the yearly delivery total to 10.8 million square feet — far exceeding last year's delivery total of 3.2 million square feet.

In response to the construction boom, Houston added more construction jobs to its market than any other major metro in the country from August 2013 to August 2014, according to a survey conducted by The Associated General Contractors of America.



[Enlarge Photo](#)

Wade Bowlin, executive vice president for PM Realty Group LP

Fort Worth school district cost overruns could bust bond budget

BY YAMIL BERARD - YBERARD@STAR-TELEGRAM.COM

01/10/2015 8:24 PM | Updated: 01/10/2015 10:07 PM

FORT WORTH — School district construction projects worth more than \$100 million are at “high risk” of going over budget because of cost overruns, according to an analysis by district architects and program managers.

The bond projects were approved by voters in 2013, and some — including two new replacement elementary schools, at a cost of \$12 million to \$18 million each, and \$13 million in upgrades to field houses at every high school campus — are expected to exceed budget projections. Cost overruns also are expected to affect construction of the district’s two showcase academies — the Visual and Performing Arts Center and the STEM Academy for students bent on careers in math and science.

Many of the budget-busting costs are expected to result from “unknown conditions” that may require additional work, such as asbestos cleanup at field houses and buildings that must be renovated, said Wayne Warren of AECOM Inc., the Los Angeles-based program management firm that was hired by the district to oversee construction.

“When we start talking about renovations, you’re getting into concealed areas,” Warren told a citizens advisory committee in December. “You don’t know what’s behind the wall. So you have a potential for a cost impact there to projections that weren’t contemplated in budgeting of those projects.”

Construction of the new elementary schools is expected to cost more because of problematic site conditions, Warren said.

Only a handful of projects, including cafeteria upgrades at schools and new classrooms for pre-kindergarten students, appeared in the “moderate” to “low” risk category.

Over the summer, a citizens bond oversight committee was established to make recommendations to the board regarding the cost and scope of the \$490 million bond. Faced with escalating budget projections, committee Chairman Isaac Manning directed school officials to develop the “at-risk” analysis.

“I think it’s really helpful for all of us to see where the issues might lie and where we need to be focused on,” Manning told committee members at a Dec. 15 meeting.

Trustees are expected to review the “at-risk” analysis at Tuesday’s board meeting.

The board is also expected to approve using \$10.5 million from the district’s internal service fund to install artificial surfaces at 11 high school practice fields. Arlington Heights and Paschal already have artificial turf fields.

Another agenda item deals with the future site of the planned Visual and Performing Arts Center.

Last month, board members voted 7-2 to house the STEM (science, technology, engineering and math) Academy, set to open in fall 2015, at the site of a renovated Leonard Sixth Grade Center in Benbrook. The building now houses Mid Level Learning Center, one of the district’s alternative schools.

A site for the Visual and Performing Arts Center hasn’t been determined, and board members are split on where it should go.



The former Leonard Sixth Grade Center will be the site of the STEM Academy for students interested in science, technology, engineering and math. JOYCE MARSHALL / STAR-TELEGRAM

Some, including Ashley Paz, Jacinto Ramos and board President Norman Robbins, support interim Superintendent Pat Linares’ recommendation to house the school in the Cultural District on district-owned land near Farrington Field. But other board members, including Tobi Jackson and Judy Needham, have expressed a desire to research the option of selling or leasing the property to improve the district’s bottom line.

Another site being considered is the former I.M. Terrell High School, which was the city’s first public education institution for African-Americans. Terrell now houses an elementary school and the district’s technology division. Trustee T.A. Sims favors that site.

Fort Worth is attempting to get a handle on escalating construction costs under the bond program. Linares has recommended \$43 million in potential cuts and savings, which includes building fewer pre-kindergarten and regular classroom additions and deferring maintenance at school facilities and buildings. Linares is also recommending that the district not spend money immediately for new auditorium seating at some schools.

Vicki Burris, the district’s chief officer for capital projects administration, has said that almost every project in the 2013 referendum was based on a square-footage cost far below the market value. The bond was passed on a price projection of \$180 per square foot, but construction contractors are saying the work cannot be accomplished for less than \$216 per square foot.

The North Texas construction market is experiencing a labor shortage, industry experts have told district officials. Subcontractors, in some cases, have raised prices to make up for lost revenue during the economic recession.