

**KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE**

**Topic:** Acquisition and Site Development Costs Request from the Fayette County School District  
**Date:** October 2020  
**Action Requested:**  Review  Action/Consent  Action/Discussion  
**Held In:**  Full Board  Curriculum, Instruction and Assessment  Operations

**SUMMARY OF ISSUE BEFORE THE BOARD:**

To approve the proposed acquisition of a site for a new elementary and middle school by the Fayette County School District that exceeds 10% of the maximum budget pursuant to 702 KAR 4:050.

**COMMISSIONER’S RECOMMENDATION:**

The Commissioner recommends that the Kentucky Board of Education (KBE) approve the acquisition of a site for a proposed new elementary and middle school campus in Fayette County to address growth in the district. The proposed campus is located at 2185 and 2345 Polo Club Boulevard in Lexington. It is located in the rapidly growing eastern portion of Fayette County beyond Interstate 75 and north of the intersection of Polo Club Boulevard and Man O War Boulevard.

**APPLICABLE STATUTE OR REGULATION:**

KRS 162.010 and 702 KAR 4:050

**BACKGROUND:**

*Existing Policy:*

702 KAR 4:050, Section 5, requires that a district receive KBE approval when site acquisition costs for a proposed school project exceed 10% of the total project budget. The regulation states “site acquisition and site preparation costs of the local school board shall be ten (10) percent or less of the maximum budget for the project, unless authorized by the Kentucky Board of Education.”

*Summary of the Issue:*

Fayette County has a growing student population and requires new school facilities to meet capacity needs. The current District Facility Plan (DFP) Amendment No. 2 was approved by the KBE at its August 2020 meeting. One new 900 student middle school and one new 650 student elementary school were identified as Priorities 1a.3 and 1a.5 respectively. Priority 1a projects include new construction to meet student capacity.

The district is proposing the creation of an elementary and middle school campus. The minimum area required for an elementary school with a 650 student capacity is 12 acres, and the minimum area required for a middle school with a 900 student capacity is 19 acres. Therefore, the project requires a minimum of 31 acres for the campus. The proposed site contains approximately 47 acres, a portion of which is located in the 100-year flood plain.

The district reviewed multiple sites in this growth area for a new elementary and a new middle school. Sites meeting the specific area requirements of the regulation are difficult to acquire. This site is centrally located in the area. It has an appraised value of \$14,240,000.00 and a proposed purchase price of \$13,265,519.00. General site development costs were identified by the district to be \$4,560,638.00.

Site Acquisition Cost:	\$13,265,519.00
Estimated Site Development Costs:	\$4,560,638.00
Estimated Projects Costs (two schools including site acquisition):	\$65,392,885.00

Site Acquisition and Site Development Costs / Total Projects Cost = 27.3%

*Budget Impact:*

Approval has no budget impact on state funds.

**GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:**

702 KAR 4:050 requires that the district consult with various entities to address the requirements regarding the proposed site acquisition and its proposed use. The district consulted with the following entities:

1. Bluegrass Valuation Group, LLC: Appraisal.
2. AIM3D Land Surveying: Boundary survey, easement and flood plain information.
3. Carmen & Associates: Site assessments and schematic site design.
4. Lexington Fayette Urban County Government (LFUCG) Division of Traffic Engineering: Roadway adequacy and access related to Polo Club Blvd. The design of access from Polo Club Blvd. has been approved and is to be funded by the seller.
5. Childress and Associates, LLC: A Phase I Environmental Site Assessment (ESA) has been performed. A small, minor dump site has since been remediated by the seller. A Phase II ESA was not recommended.
6. Staggs and Fisher Consulting Engineers: Availability and adequacy of utilities from Kentucky Utilities, Columbia Gas, Kentucky American Water and Windstream, LFUCG Division of Water Quality for sanitary and storm sewers.
7. Kentucky Transportation Cabinet (KYTC): Roadway adequacy related to Man O War Blvd. and Winchester Road (US 60).

After evaluating the information provided by these entities, the district determined that this site meets its need for a new elementary and middle school and has requested that the KBE approve its purchase pursuant to 702 KAR 4:050.

**CONTACT PERSON(S):**

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**Commissioner of Education**

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