

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Madison County School District Request for Site Acquisition Approval that exceeds ten percent of the maximum budget per 702 KAR 4:050

Date: October 2021

Action Requested: ☐ Review ☐ Action/Consent ☒ Action/Discussion

Held In: ☐ Full Board ☐ Curriculum, Instruction and Assessment ☒ Operations

SUMMARY OF ISSUE BEFORE THE BOARD:

To approve, pursuant to 702 KAR 4:050, the proposed acquisition by the Madison County School District of a site for a new middle school for which the acquisition cost and the site development cost exceeds ten percent of the maximum budget.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the Kentucky Board of Education (KBE) approve the site acquisition for a proposed new middle school in Madison County to replace the existing, aged Madison County Middle School. The proposed site is approximately one-half mile west of I-75 in an area recently approved for residential development and annexed by the City of Richmond.

APPLICABLE STATUTE OR REGULATION:

702 KAR 4:050 Building Sites, Inspection, Approvals and KRS 162.010 Title to School Property.

BACKGROUND:

Existing Policy: 702 KAR 4:050, Section 5, requires that a district receive KBE approval when the site acquisition cost and site development cost for a proposed school project exceed ten (10) percent 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:

The existing Madison County Middle School is an aged building constructed in multiple phases (1923, 1939 and 1963). It is located in the City of Richmond on a land locked site near Eastern Kentucky University. A new middle school is identified as Priority 1a.3 (Amendment No. 1) on the district's current District Facility Plan (DFP) approved by the KBE at its February 2021 meeting. Amendment No. 1 removed the renovation of the existing middle school and the addition of a new middle school on a new site having a total estimated project cost of approximately \$21 million (inflation adjusted to \$22,680,000).

The district reviewed multiple sites in this area for a new middle school. The selected site has an appraised value and a proposed purchase price of \$1,700,000.00. The survey of site developments costs provided by the district totaled \$900,000.00.

Site Acquisition Cost:	\$1,700,000.00
Estimated Site Development Costs:	\$900,000.00
Estimated Middle School Project Cost	\$22,680,000.00

Site Acquisition & Site Development Costs / Total Projects Cost = 11.5%

Budget Impact: Approval has no budget impact on state funds.

GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:

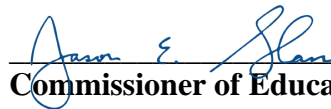
702 KAR 4:050 requires that the district consult with various entities to address the requirements regarding the proposed site acquisition and its proposed use. The district consulted with the following entities:

1. Coy, Gilbert, Shephard & Wilson, Attorneys: Title Opinion.
2. M & S Valuation Services: Appraisal.
3. Spencer Land Surveying: Minor Subdivision Plat.
4. Clotfelter-Samokar PSC (Architects): site assessments. schematic site design and letter regarding potential environmental or safety hazards in the vicinity of the site.
5. Kentucky Transportation Cabinet (KYTC) Division of Maintenance, Madison Co. Fiscal Court and City of Richmond: Roadway adequacy and funding commitment.
6. Consulting Services, Inc.: Preliminary Geotechnical Exploration.
7. Richmond Utilities and KU: Availability of water, sanitary sewer, electric and natural gas service.
8. Kentucky Department of Education's District Facilities Branch: Initial site inspection and tentative approval.

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

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 Commissioner of Education

Category:	<input type="checkbox"/> Educator Workforce Diversity Commitment	<input type="checkbox"/> Portrait of a Graduate Partnerships	<input type="checkbox"/> Racial Equity
	<input type="checkbox"/> Student-Centered Accountability System	<input type="checkbox"/> Early Childhood	<input checked="" type="checkbox"/> District Support