

## KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

**Topic:** Jessamine 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 the proposed acquisition of a site for a new middle school by the Jessamine County School District that exceeds ten percent 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 site acquisition for a proposed new middle school in Jessamine County to address growth in the district. The proposed site is in the northern portion of the county in an area east of US 27 between Nicholasville and Lexington that is undergoing rapid development near the Brannon Crossing retail development.

### 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 site acquisition costs for a proposed school project exceeds 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 Jessamine County School District has a growing student population and requires new school facilities to meet capacity needs. Finding No. 1 to the current District Facility Plan (DFP) was approved by the KDE in March 2020. This Finding consisted of a new 900 student middle school on a new site identified as Priority 2a.1 having a total estimated project cost of approximately \$27 million (inflation adjusted to \$29,373,962.00). Priority 2a projects include new construction to meet student capacity. When the DFP was approved by the KBE in December 2019, the capacities of the existing elementary schools and high schools were adequate for the projected enrollments. A new elementary school and high school could not be justified and included in Priorities 1 through 4 at that time. Property acquisition for the future new elementary school and high school was identified as Priority 5.2. Priority 5 projects do not contribute to the district's Need.

The district proposes the creation of a middle and elementary school campus. The minimum area required for a 900-student middle school is 19 acres and the minimum area required for a 650-student elementary school is 12 acres. Therefore, the project requires a minimum of 31 acres for the campus. The proposed site contains approximately 65 acres, a portion of which is in the 100-year flood plain.

The district reviewed multiple sites in this growth area for a new middle school and new elementary school campus. 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 and a proposed purchase price of \$2,275,000.00. The survey of site developments costs provided by the district totaled \$4,234,975.00.

Site Acquisition Cost (65 acres $\pm$ @ \$35,000/acre):	\$2,275,000.00
Estimated Site Development Costs:	\$4,234,975.00
Estimated Middle School Project Cost	\$29,373,962.00

Site Acquisition & Site Development Costs / Total Projects Cost = 22.2%

The future elementary school is in Priority 5 and is not a reported Need. If its estimated project cost were factored in, the above percentage would be significantly reduced but not below the ten percent (10%) threshold established by the regulation.

***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. Kentucky Appraisal Team Services Inc.: Appraisal.
2. Endris Engineering: boundary survey, easement and flood plain information.
3. Carmen & Associates: site assessments and schematic site design.
4. Kentucky Transportation Cabinet (KYTC) Division of Maintenance: Roadway adequacy and funding commitment.
5. Consulting Services Inc.: Geotechnical Report and schematic site plan.
6. Availability and adequacy of utilities from City of Nicholasville (water), Jessamine-South Elkhorn Water District (sanitary sewer), Bluegrass Energy (electric), Delta Gas (natural gas).

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

#### **CONTACT PERSON(S):**

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Commissioner of Education

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