

## KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

**Topic:** Fayette County Board of Education Request to Permit Property Acquisition Where Site Acquisition and Development Costs Exceed 10% of the Total Project Budget

**Date:** June 2022

**Action Requested:**  Review  Action/Consent  Action/Discussion

**Held In:**  Full Board  Curriculum, Instruction and Assessment  Operations

### SUMMARY OF ISSUE BEFORE THE BOARD:

Pursuant to 702 KAR 4:050 Building sites; inspection, approval Section 5, the Fayette County School District requests approval to purchase a 36-acre ± property for the construction of a 900-student girls' STEM school and a 450-student elementary school for which the acquisition and site preparation costs exceed ten (10) percent of the maximum project budget.

### COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the Kentucky Board of Education (KBE) approve the acquisition of the site for a proposed 900-student girls' STEM school and a 450-student elementary school campus in Fayette County to meet student capacity as noted on the current District Facility Plan (DFP).

### APPLICABLE STATUTE OR REGULATION:

702 KAR 4:050 Building sites; inspection, approval

### BACKGROUND:

#### *Existing Policy:*

702 KAR 4:050, Section 5, requires that a district receive KBE approval when site acquisition and site development 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 Issue:*

The site consists of approximately 36 acres located in the western portion of the City of Lexington at the southwest corner of the intersection of Versailles Road (US 60) and Mason Headley Road. The property is within New Circle Road and the Urban Service Area. The site, historically used for agricultural and residential purposes, includes fields, an estate house with associated site improvements and wooded areas around the residence and the perimeter of the property.

The district proposes to construct a 900-student girls' STEM school (K-8) DFP Priority 1a.1 and a 450-student elementary school (K-5) DFP Priority 1a.3. The minimum area required for a 900-student K-8 school is 19 acres and the minimum area required for a 450-student K-5 school is 10 acres. Therefore, a campus for the combined projects requires a minimum of 29 acres. The proposed site contains approximately 36 acres.

The district reviewed multiple sites for a new 900-student girls' STEM school (K-8) and a new 450-student elementary (K-5) school. Sites meeting the specific area requirements of the regulation are difficult to acquire. The property has an appraised value of \$10,300,000 and a proposed purchase price of \$10,100,000.

Site Acquisition Cost:	\$10,100,000.00
Estimated Site Development Costs (two schools)	\$7,989,475.00
Estimated Projects Costs (two schools including site acquisition):	\$79,579,699.00

Site Acquisition and Site Development Costs / Total Projects Cost = 23%

*Budget Impact:*

There is no impact to KDE's budget.

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

The district consulted with the following:

George F. Allgeier, Jr, Attorney: Opinion of availability of fee simple title.

Old Republic National Title Insurance Company: Affirmation of coverage regarding a deed restriction.

Bluegrass Valuation Group, LLC: Appraisal stating fair market value of \$10,300,000.

Justin D. Drury, PLS #3843: Topographic and Boundary Survey Plat: Property boundaries, acreage, road access and easements and certification that the property is not in the 100-year flood plain.

Kentucky Transportation Cabinet: Confirmation of road adequacy and a conditional funding commitment for work in the right of way of Versailles Road (US 60).

Lexington Fayette Urban County Government: Confirmation of road adequacy provided that new and expanded turn lanes for the two (2) entrances and the intersection with Versailles Road are constructed, along with the addition of sidewalks along Mason Headley connecting the school entrance to the sidewalks on Versailles Road. Funding is included in the proposed LFUCG budget.

Staggs & Fisher Consulting Engineers, Inc.: Confirmation by Kentucky American Water Company of availability of adequate water supply.

Staggs & Fisher Consulting Engineers, Inc.: Confirmation by Kentucky Utilities of availability of adequate three-phase service.

Staggs & Fisher Consulting Engineers, Inc.: Confirmation by LFUCG Division of Water of availability of adequate sanitary sewer service.

Staggs & Fisher Consulting Engineers, Inc.: Confirmation by Columbia Gas of availability and adequacy of natural gas service.

Staggs & Fisher Consulting Engineers, Inc.: Confirmation by Windstream and Spectrum of availability of adequate analog telephone and fiber optic options.

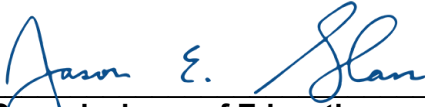
Childress and Associates, LLD: Phase 1 Environmental Site Assessment reported no direct evidence of recognized, historical or controlled recognized environmental conditions.

RossTarrant Architects and Element Design, PLLC: No reported potential environmental or safety hazards in the vicinity, schematic site plans and site survey with site development costs.

**CONTACT PERSON(S):**

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**Commissioner of Education**

Category:  Educator Workforce Diversity  Portrait of a Graduate Partnerships  Racial Equity  
Commitment  Student-Centered Accountability System  Early Childhood  District Support