

## KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

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

**Date:** August 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 Pulaski County School District requests approval to purchase a 42-acre ± property for the construction of a new 400-student PS-5 elementary school to replace the existing Burnside 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 which the acquisition and site preparation costs exceed ten (10) percent of the maximum project budget for a 400-student elementary school in Pulaski County.

### APPLICABLE STATUTE OR REGULATION:

KRS 156.160(2); 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 proposed acquisition is a hilly, forested approximately 42-acre property located across Lake Cumberland from the existing Burnside Elementary School. Because of the property’s sloping terrain and underlying rock, it will require a significant amount of mass excavation to create a level building site. The cost of the site preparation and acquisition is projected to be 24.8% of the total project budget. Most of that cost is related to site preparation. The district reviewed multiple sites for a new 400-student PS-5 elementary school to replace a deteriorated facility as noted on the current District Facility Plan (DFP) as Priority 1b.1). The property has an appraised value of \$550,000 and a proposed purchase price of \$485,000.

Site Acquisition Cost:	\$485,000.00
Estimated Site Development Costs	\$3,172,000.00
Total	\$3,657,000.00

Estimated Projects Costs (including site acquisition): \$14,738,223.00

Site Acquisition and Site Development Costs / Total Projects Cost = 24.8%

*Budget Impact:*

There is no impact to KDE's budget.

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

The district consulted with the following:

Robert P. Hammons, Attorney: Opinion of availability of fee simple title.

Commonwealth Land Title Insurance Company: Commitment for title insurance.

R. D. Baker Appraisal Group, LLC: Appraisal by Robert D. Baker, Certified Residential Appraiser # 2730 stating market value opinion of \$550,000.

Precision Land Surveying: M. Bidarian, PLS #2876: 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: May 10, 2022 letter confirming road adequacy and funding commitment for work in the right of way of KY 1247.

Pulaski County Fiscal Court: Letter from Stephen B. Kelley, Jr., Pulaski County Judge Executive confirmation road adequacy of local roads and committing to work with the district with improvements subject to court approval.

Shrout Tate Wilson Mechanical and Electrical Engineers: Letter regarding availability of utilities.

City of Burnside: Letter from Molly K. Hardy, City Attorney, advising that the City will deliver water and sewer services pending the availability of all necessary funding.

Solid Ground Consulting Engineers, PLLC: Phase 1 Environmental Site Assessment (ESA) concluded that there were no observable or physical evidence, historical aerial photography, or topographic mapping to indicate that recognized environmental conditions (REC's) exist on the property. However, the property is located within Kentucky EPA Radon Zone 1.

Solid Ground Consulting Engineers, PLLC: Report of Preliminary Geotechnical Exploration indicated that extensive site grading, including potential hard rock excavation, will be required to achieve finished grades.

Bocook Engineering, Inc., Consulting Engineers: Preliminary site plan and related site development costs.

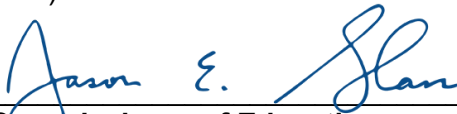
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Commissioner of Education

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