

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Madison County School District Request for Approval of a Site Acquisition Exceeding Ten Percent of the Maximum Project Budget per 702 KAR 4:050

Date: February 2024

Action Requested: Review Action/Consent Action/Discussion

Held In: Full Board State Schools United We Learn

SUMMARY OF ISSUE BEFORE THE BOARD:

To approve, pursuant to 702 KAR 4:050, the proposed site acquisition by the Madison County School District for the new Waco Elementary School (DFP Priorities 1a.1) for which the acquisition and site development costs exceed ten percent (10%) of the maximum project budget.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the Kentucky Board of Education (KBE) approve the proposed acquisition of the site for the new Waco Elementary School for the Madison County School District for which the acquisition cost and the estimated cost of the related site improvements exceed the threshold established by regulation.

APPLICABLE STATUTE OR REGULATION:

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

BACKGROUND:

Existing Policy:

702 KAR 4:050 Section 4(4)(f) requires that a district provide the estimated costs required to develop a proposed site for its intended purpose. The regulation requires "Site survey of site development costs by architects or engineers and projected acquisition cost for the proposed site shall be provided. A cost analysis site survey, as requested by the Division of Facilities Management (now District Facilities Branch), shall include but not be limited to: mass site excavation, cost of bringing utilities to site and infrastructures, on-site roadway access (less paving), geotechnical survey (drilling a minimum of four (4) holes for subsurface conditions) with associated above normal footing requirements, any costs for hazardous condition cleanup, and acquisition cost. The site survey shall provide alternative locations or elevations of building as requested by the Kentucky Department of Education on the proposed site."

702 KAR 4:050 Section 5(1) requires that a district receive KBE approval when acquisition and site preparation costs exceed ten (10) percent of the total project budget. The regulation states "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 State Board for Elementary

and Secondary Education.”

Summary of Issue:

The Madison County School District desires to acquire property to build a new facility to replace the existing 438 student elementary school (grades PS-5). The minimum area required for a 500-student elementary school is 10 acres.

The district reviewed multiple sites within the desired area for the new elementary school and determined the Meadowbrook Road-Speedwell Road (KY374) site presented the best overall option. The subject site is approximately 16.25 acres of a 60-acre cattle farm and is mostly covered with low grass with some mature trees and a few structures. The analysis provided by the district’s consultants indicates that the site is moderately sloped and is underlain by the New Albany Shale Formation. It has an appraised value of \$652,000.00 and a proposed purchase price would be $\$38,892 \times 16.25 = \$631,995.00$. Plus \$40,000 for the value of the existing structures.

The site acquisition cost plus the estimated site development costs of this facility exceeds the ten percent (10%) threshold established by the regulation.

Site Acquisition Cost (16.25 acres \pm @ \$38,892/acre):	\$631,995.00
Value of existing structures:	\$40,000.00
<u>Estimated Site Development Costs:</u>	<u>\$2,745,000.00</u>
Total Site Acquisition & Site Development Costs:	\$3,416,995.00

New Waco Elementary School Project Costs (Priority 1b.1): \$19,616,633.00

Site Acquisition & Site Development Costs / Total Projects Cost = 17.4%

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. Clotfelter Samokar Architects provided District Facility Planning efforts and estimated building costs and estimated site development costs.
2. Stuart W, Spencer, Preliminary Amended Minor Survey Plat
3. Madison County Utilities District (MCUD), Delta Natural Gas Company, Kentucky Utilities and Northern Madison County Sanitation District provided estimated site utility requirements.
4. Solid Ground Consulting Engineers, PLLC, provided geotechnical studies and recommendations.
5. Reagan Taylor, Madison County Judge Executive, confirmed road adequacy for the proposed school project and funding responsibility for the required improvements on County right of way impacting Meadowbrook Road

6. The Kentucky Transportation Cabinet regarding roadway adequacy and funding for improvements in the public right-of-way needed to provide access to the site. Approval letter was dated March 21, 2023.

After evaluating the information provided by these entities, the district determined that this site meets its need for a new 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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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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