

ADMINISTRATIVE REPORT

DATE: August 22, 2024

TOPIC: 6.1 – Discussion of Commissioner’s Review and Comment on Proposed Financing for the Purchase and Remodeling of a Facility/Property for the Transition Program

PRESENTER: Kris Blackburn, Director of Business Services

REFERENCE TO POLICY/STATUTE: Policy 701

A. PURPOSE OF REPORT

- a. South Washington County Schools Board, at its May 23, 2024 meeting, approved the submission of the review and comment documents relating to the Special Education Transition Program project to the Minnesota Department of Education.
- b. The Special Education Transition Program project includes purchasing Light the Way church at 7000 Jamaica Ave S, Cottage Grove, MN, remodeling the building and site, and expanding the learning space with a 9,000 square foot addition to the building.
- c. The estimated project cost, excluding financing costs, is \$9,191,607.
- d. The district intends to issue Certificates of Participation (COPs) with a 15-year term to finance the improved facility, the debt service on which will be paid from the district’s annual lease levy.
- e. Attached is the positive review and comment response from the Commission of the Minnesota Department of Education.

B. RECOMMENDATION

- a. Public comment will be allowed following this report.
- b. No further action is required; information only.

C. CONNECTION TO STRATEGIC PRIORITY

- a. Student Experience
- b. Student Pathways and Systemic Supports
- c. Operations, Staffing, and Finance





July 23, 2024

Julie Nielsen, Superintendent
South Washington County Public School District, ISD #0833-01
7362 E Point Douglas Road South
Cottage Grove, MN 55016-3025

Dear Superintendent Nielsen:

Minnesota Statutes, section 123B.71, requires a review and comment statement on the educational and economic advisability of your proposed school construction project. Information supplied by your school district and from Minnesota Department of Education sources is the basis of this review and comment. With this positive review and comment, school board approval is required for South Washington County Public Schools, Independent School District #0833-01, to proceed with the proposed projects.

The district shall publish a summary of the review and comment statement (the final page) in the legal newspaper of the district at least 48 days, but not more than 60 days, prior to soliciting any bids for the construction, expansion, or remodeling of an educational facility. The department may request a statement certifying the publication, and require the submission, review, and approval of preliminary and final construction plans.

Minnesota Statutes, section 123B.71, requires the commissioner to include comments from residents of the school district in the review and comment. As of the date of this letter, no public comments have been received. In addition, Minnesota Statutes, section 123B.71, ***requires the school board hold a public meeting to discuss the review and comment prior to the sale of bonds and/or accepting project bids.***

Minnesota Statutes, section 123B.71, ***requires that a school district, prior to occupying a new or renovated facility after July 1, 2002, must submit a certification prepared by a system inspector to the commissioner and the building code official that will provide an occupancy permit.*** The certification must verify that the facility's installed or modified heating, ventilation, and air conditioning system operates according to design specifications and code, a system for monitoring outdoor airflow and total airflow of ventilation systems has been installed, and any installed or modified heating, ventilation, or air conditioning system provides an indoor air quality filtration system that meets ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Standard 52.1.

If you have any questions, please contact Chris Kubesh, Education Finance specialist, at 651-582-8319 or chris.kubesh@state.mn.us. Thank you for working with us to improve school facilities for Minnesota students.

Sincerely,

A handwritten signature in black ink, appearing to read 'Willie L. Jett II'.

Willie L. Jett II
Commissioner

cc: Kate Schwartz, School Board Chair

Enclosure

**The Commissioner of the Department of Education
Review and Comment on the School Construction
Proposal of South Washington County Public Schools, ISD #0833-01**

A review and comment must be provided on a school district construction project proposal before the district conducts a referendum, solicits bids, or issues bonds for the project. A project proposal has been submitted for review and comment according to requirements set forth in Minnesota Statutes, section 123B.71, subdivisions 9 and 10, and Minnesota Statutes, section 123B.72. The district provides the following information:

1. The geographic area and population to be served:
 - a. preschool through grade 12 student enrollment for the past five years, and
 - b. student enrollment projections for the next five years.
2. A list of existing school facilities:
 - a. by year constructed,
 - b. their uses, and
 - c. an assessment of the extent to which alternate facilities are available within school district boundaries and in adjacent school districts.
3. A list of specific deficiencies of the facility:
 - a. demonstrating the need for a new or renovated facility to be provided,
 - b. the process used to determine the deficiencies,
 - c. a list of those deficiencies that will and will not be addressed by the proposed projects,
 - d. a list of specific benefits that the new or renovated facility will provide to students, teachers, and community users served by the facility.
4. A description of the project, including:
 - a. specifications of site and outdoor space acreage,
 - b. square footage allocations for classrooms, laboratories and support spaces,
 - c. estimated expenditures for major portions of the project,
 - d. estimated changes in facility operating costs, and
 - e. dates the project will begin and be completed.
5. A specification of the source of project financing, including:
 - a. applicable statutory citations,
 - b. the scheduled date for a bond issue or school board action,
 - c. a schedule of payments, including debt service equalization aid, and
 - d. the effect of a bond issue on local property taxes by property class and valuation.
6. Documentation obligating the school district and contractors to comply with the following items:
 - a. Minnesota Statutes, section 471.345 governing municipal contracts,
 - b. sustainable design,
 - c. school facility commissioning under Minnesota Statutes, section 123B.72, certifying the plans and designs for heating, ventilating, air conditioning and air filtration for an extensively renovated or new facility meet or exceed current code standards, including ASHRAE air filtration Standard 52.1,
 - d. American National Standards Institute (ANSI) acoustical performance criteria, design requirements and guidelines for schools on maximum background noise levels and reverberation times,
 - e. state fire code,
 - f. chapter 326B governing building codes, and
 - g. consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit and safe access for pedestrians and cyclists.

Description of Proposed School Construction Project

South Washington County Public Schools, ISD #0833-01 is proposing the acquisition of and improvements to an existing church structure located in Cottage Grove, Minnesota. The improved facility would serve as the site for its transitional special education students. The program is currently housed in two leased spaces and serves approximately 100 students in the 18-22 year old range. The proposed facility would allow the district to house all transitional special education students at a single site and would also eliminate the need for leased facility space.

The estimated project cost, including financing, is \$9,453,332. The largest project component is a nine classroom addition to the existing structure. Other proposed projects include remodeling and mechanical updates to existing space. The projects would be scheduled for completion in 2025-2026 calendar years. Cost estimates by project component are as follows:

Existing Facility Acquisition	1,700,000
Remodel - Kitchen / Nursing Area	475,000
Remodel - Support Space	525,000
Classroom / Restroom Addition	3,150,000
HVAC / Mechanical Upgrades	1,000,000
Site Work	650,000
Contingency	291,607
Permits/Fees/Services	1,400,000
Financing Costs	261,725
	9,453,332

The district will issue certificates of participation (COPs) with a 15 year term to finance the improved facility. Beginning with the Payable 2025 levy, the district will levy approximately \$800,000 annually, as authorized under Minnesota Statutes, section 126C.40, subdivision 1, to fund the annual principal and interest payments on the COPs. The proposed project does not require voter approval.

Review and Comment Statement

Based on the department's analysis of the school district's required documentation and other pertinent information from sources of the Minnesota Department of Education, the Commissioner of Education provides a positive review and comment.

Additional Information is Available

Persons desiring additional information regarding this proposal should contact the school district superintendent's office.



Willie L. Jett II
Commissioner

July 23, 2024