

Description of Proposed School Construction Project

St. Louis Park Public School District, ISD #0283-01, is proposing a single question referendum on August 11, 2026, that would authorize two funding sources, including \$50 million in bonding authority and the revocation and replacement of the district's existing capital project levy with a larger levy amount.

The \$50 million in bonding authority would finance comprehensive Heating, Ventilation and Air-Conditioning (HVAC) improvements at the high school and middle school. The proposed, bond-funded projects would be scheduled for completion in calendar years 2027 and 2028. HVAC-related cost estimates by location are as follows:

Project Cost Estimates - Bond Funding			
<u>High School</u>		<u>Middle School</u>	
HVAC Improvements	\$26,289,000	HVAC Improvements	\$14,812,000
Asbestos Remediation	\$200,000	Asbestos Remediation	\$500,000
Fees/Permits/Services	\$3,418,000	Fees/Permits/Services	\$2,428,000
Contingencies	\$802,000	Contingencies	\$476,000
	\$30,709,000		\$18,216,000
<u>Districtwide</u>		Total Cost Estimate	\$50,000,000
Capitalized Interest (Net)	\$316,592		
Bond Issuance	\$758,408		
	\$1,075,000		

The capital projects levy component would revoke the existing capital projects levy tax rate of 4.287% on the district's net tax capacity (NTC) and replace it with a higher tax rate, 10.127% of NTC. For the Payable 2026 levy cycle, the district levied \$4,157,873 for capital project at the lower, 4.287% tax rate. If approved by voters, the district would levy \$9,860,228, beginning with the Payable 2027 levy for a ten-year period. The annual levy amount in the nine subsequent years would be computed by multiplying 10.127% times the preceding year's NTC and would be authorized for annual certification by the school board. The estimated total cost of the capital projects to be funded over the ten-year levy period is \$98,602,280.

The school board is aware that capital projects levy proceeds are only authorized to fund the capital projects proposed in this review and comment submission and eligible for funding under Minnesota Statutes, section 126C.10, subdivision 14. Proposed projects include:

- technology upgrades (classrooms, infrastructure)
- student / staff devices
- software
- technology personnel
- security equipment

The district currently has approximately 4,400 students currently enrolled in K-12 programming and is projecting a slight increase in enrollment to around 4,600 students over the next five years.

The existing middle and high school boilers are original equipment and at or near 70 years of age. Annual maintenance costs approach \$125,000. The proposed HVAC system replacements would significantly reduce maintenance costs and would also reduce operational costs with more efficient systems. The proposed capital projects levy tax rate increase would more than double the amount of the district's capital projects levy and would be the highest capital projects tax rate in the entire state. The proposed projects appear to be in the long-term interest of the district.

If the referendum is successful and bonds are sold, the debt service on the bonds will be eligible for debt service equalization under Minnesota Statutes, section 123B.53, subdivision 3, if the bond schedule is approved. The amount of debt service equalization aid, if any, the district receives is determined annually and is dependent upon property wealth, student population, and other statutory requirements.

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

June 11, 2026