

Special School Board Meeting - Facilities Needs

Duluth Public Schools, ISD 709

Agenda

Wednesday, January 29, 2020

District Services Center

709 Portia Johnson Dr.

Duluth, MN 55811

4:30 PM

1. **Call to Order**
2. **Roll Call**
3. **Facilities Needs Update** **2**
4. **Action (if any) Related to Facilities Needs**
 - A. Resolution SP-1-20-3714-Authorizing Administration to Seek Funding
Opportunities for Facilities Planning and Possible Staff and Program
Relocation. 4
5. **Adjournment**

Facilities Review & Recommendation January 2020

The following sites & buildings are currently under District review:

- Historic Old Central High School (HOCHS)
 - Area Learning Center (ALC)
 - District Programs & Administration
 - Adult Basic Education (ABE)
- Central High School Site (CHS)
 - Secondary Technical Center (STC)
 - Facilities Annex
 - Central HS
 - Acreage
- Transportation
 - Office space
 - Mechanic bays
 - Bus & Vehicle storage

Facilities Work Group - Created November 2019

Bill Gronseth, Superintendent	Cathy Erickson, CFO
David Spooner, Facilities Director	Pat Overom, Engineer, ICS, inc.
Greg Follmer, Real Estate	Mike Hoheisel, Advisor, RW Baird
John Erickson, Architect, DSGW	Jeff Anderson, The Costin Group
Gary Cerkvenik, The Costin Group	

Work Group Created

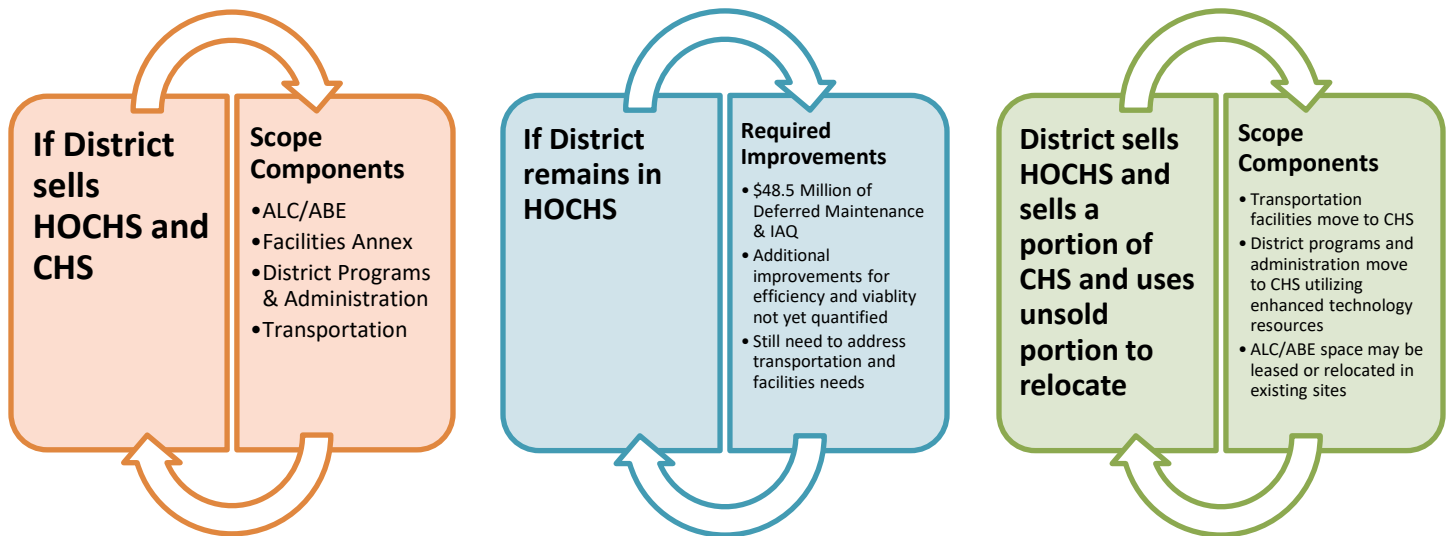
A work group was created to review and analyze the current viability of the sites and to determine what options the district should consider.

Work Group Parameters:

- **HOCHS**
 - There is current interest in the building by investors
 - Over \$48.5MM* in identified deferred maintenance and indoor air quality improvements
 - Price tag is much higher if we were to improve the facility, right-size spaces, and increase technology options
 - Additional improvements lack a readily available funding source
 - Addressing inefficient use of space
 - Consideration of value to the community
- **Central High School (CHS) Site**
 - Expected reduced market value offers due to site challenges
 - May allow for efficient district utilization of property
 - Bifurcation of property may provide for an economic development opportunity
 - Possible use of STC building as a transition option
- **Transportation**
 - Identified building improvements needed
 - Develop adequate space for bus garage and related vehicle storage
- **Budget, Finance, & Planning**
 - Estimate costs of repairs or relocation
 - Determine finance and funding options
 - Create projected timeline

* \$48.5 Million estimate was identified and presented to the school board on June 11, 2019 – this does not include transportation needs

Illustration of options reviewed:



Work Group Considerations and Recommendations:

- **Relocation from HOCHS**

Consensus from the work group is now's the time take advantage of outside interest in the building. Because this building is such an important community asset and the district recognizes that it can no longer adequately care for it, a relocation creates opportunity for continued viability in the community.

- **More effective square footage uses and investment savings over repairing HOCHS**

The district can vacate a building which is in excess of 3 times the square footage needed for current programming and staff needs. More effective facility space can contribute to cost savings.

- **Better utilization of a portion or all of Central High School (CHS) Site**

Maintaining and utilizing the Central High School site, which already houses District facilities, can provide for a variety of options for the district and community. A proposed District relocation plan includes an investment of \$31.5 million at the CHS site to address HOCHS and transportation needs, saving \$17 million compared to the proposed feasibility repair costs required to remain in HOCHS.

- **Lease space for Area Learning Center and Adult Basic Education**

The District currently has lease levy authority for instructional educational services and there are several lease opportunities within the District boundaries to consider. This provides flexibility to adjust for future programming changes or mandated requirements.

- **Legislative support necessary to responsibly invest taxpayer resources**

If the District remained in HOCHS, LTFM funding could complete qualifying deferred maintenance and indoor air quality repairs at a cost of \$48.5 million. But it would not address public access, space, and efficiency issues. Legislation would allow for the alternate use of LTFM funding for projects designed to better utilize levy authority and taxpayer contributions.

RESOLUTION**Authorizing Administration to Seek Funding Opportunities for Facilities
Planning and Possible Staff and Program Relocation**

WHEREAS Duluth Public Schools, ISD #709, is assessing the viability and sustainability of some school district buildings and properties as outlined by the district facilities work group; and

WHEREAS the district facilities work group has identified fiscal responsibility, effective use of district resources, and facilities sustainability as priorities; and

WHEREAS a relocation of staff and programs may be necessary and current authorized funding options may not be applicable to a recommended facilities plan.

NOW, THEREFORE BE IT RESOLVED, that the Duluth School Board authorizes District administration to explore funding options to allow for effective and efficient planning and implementation of the District work group facilities plans.