

## Long-Term Facilities Funding

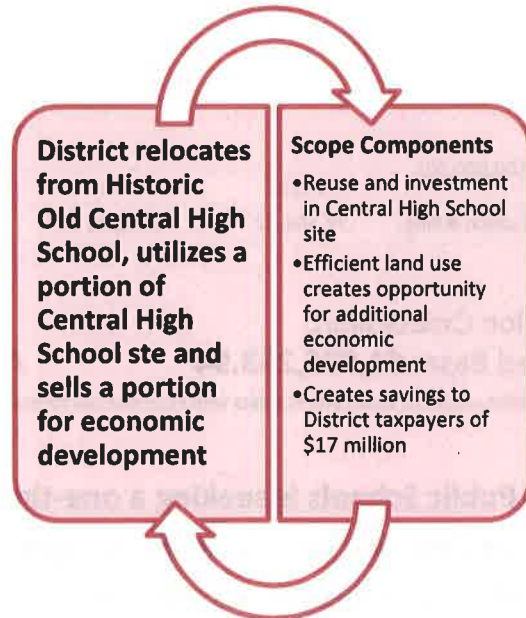
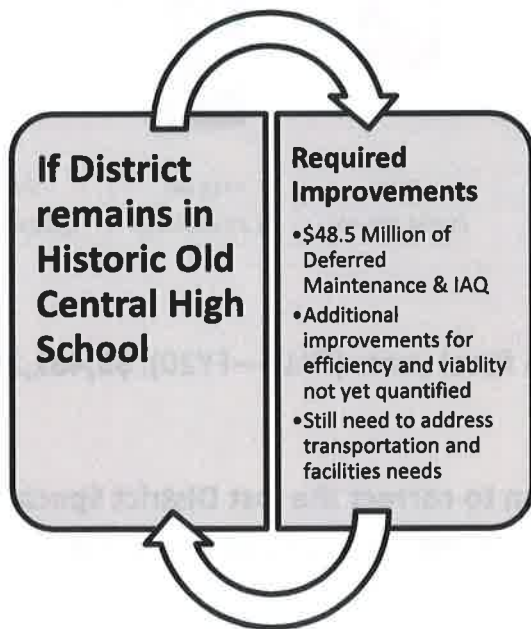
Duluth Public Schools is seeking a funding change in the Long-Term Facilities Maintenance (LTFM) program for relocation and improvement levy authority.

Objectives include:

- More effective use of square footage
- Avoid investing taxpayer contributions in an inefficient building through current LTFM
- Allow for reuse of a National Historic School Building
- Create community partnerships and economic development

Historic Old Central High School, which currently houses the District Area Learning Center (ALC), Adult Basic Education (ABE), and District program and administrative staff, has been identified as needing \$48.5 million in LTFM qualifying repairs.

A District work group identified a district improvement and relocation plan that could save District taxpayers \$17 million vs. repairing Historic Old Central High School.

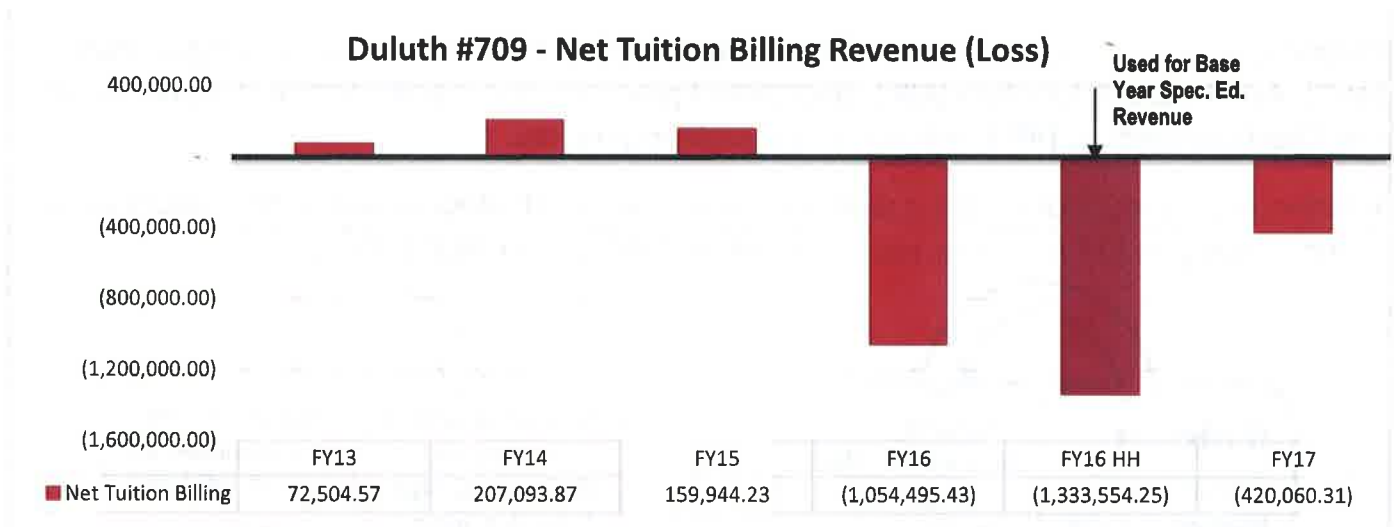


## Special Education Funding Correction

Duluth Public Schools is seeking special legislation to recapture state special education revenue unavailable as a result of new special education funding components implemented in 2016.

- Unexpected tuition billings from Charter schools serving Duluth resident students lowered eligible Special Education Revenue by over \$1.4 million by using 2016 as the base year.

In the prior 3 years before the new formula, net tuition billings for Duluth Public Schools generated positive tuition billing revenue. The implementation of the new formula coincided with large increases in tuition billings to be paid and other districts using Federal funds to pay tuition bills to Duluth.



Correction Calculation:

**Adjusted Base: \$1,096,253.94\***

**Applied to 5 fiscal years (FY16—FY20): \$5,481,269.70**

\*Adjusted based calculated based on FY15 data with FY16 new law formulas

**Duluth Public Schools is seeking a one-time allocation to correct the lost District Special Education Revenue due to the funding formula changes initiated in FY16 and is still negatively impacting the district today.**

Contact: **Bill Gronseth, Superintendent** – 218-336-8752 – [william.gronseth@isd709.org](mailto:william.gronseth@isd709.org)

## What is currently housed in Historic Central HS?

The 162,000 sq. ft. building houses the District Area Learning Center (ALC), Adult Basic Education (ABE), District administration and program staff, District print shop, and school board and general meeting space. Space is also utilized by St. Louis County Soil & Water, Companies to Classrooms, and a Central HS memorabilia classroom.

## What is the cost of repairing Historic Central HS?

In June 2019, a feasibility report was shared with the school board that outlined **\$48.5 million** in deferred maintenance repairs and health & safety requirements. Estimated construction and soft costs at the time included: \$24 million for the building exterior/enclosure, \$13.5 million for systems repair/replacement, and \$11 million for interior repairs/accessibility. NOTE: this only includes those items that qualify for Long-Term Facilities Maintenance (LTFM) funding and would not include other needed renovations or building improvements.

## What is the impact of Historic Central being on the National Register of Historic Places?

The following information was received from Michael Koop, from the MN Dept. of Administration State Historic Preservation Office (SHPO):

*"...[statute] requires non-federal public agencies in the state to consult with the SHPO before carrying out or approving any undertaking that has the potential to affect National or State Registered historic properties. From our office's perspective, the proposed sale of a National Register-listed property is an undertaking which has the potential to cause adverse effects to the historic property. Currently, because it is owned by a public entity in the state, the historic property has certain protections under state statute. If the transfer is made to a private entity and the terms of the transfer do not include adequate and legally enforceable restrictions or conditions to ensure continued long-term preservation of the historic significance of the property, then this would be considered an adverse effect."*

The District has already done an initial connection to learn more about what would be needed to complete a transfer of the property should the board entertain an offer. It is our belief that the longevity of the building has a greater chance of success with others who have the resources and experience to repair and maintain historic buildings.

## Is there interest in Historic Old Central?

Yes. The district has seen interest in the building prior to listing and expects more interest now.

## What is currently housed at the Central High School site?

The almost 77 acre parcel has 3 building structures including the main high school along with the former Secondary Technical Center (STC) and Secondary Technical Annex, which now houses District facilities. There are also parking areas and fields.

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### **Is Central High School on the hill move-in ready?**

No. The 228K sq. ft. building has been maintained only to keep basic heating functions available. Much of the internal facilities equipment and systems are past their useful life and would need to be repaired or replaced before the building could be reused. In addition, the size of the building is much too large for the current district relocation needs.

### **What is the Secondary Technical Center (STC)?**

The Central High School site includes a 52,000 square foot building that formerly housed Career & Technical programming. This building has garnered interested from buyers in the past, but often it was the rest of the site that caused potential purchasers to step away from any development deal. This building sits on the most attractive part of the campus and while it is a possible relocation site for District programming from Historic Central, that may limit interest in the rest of the site.

### **Does the District currently have any other properties for sale?**

No. Right now the district is gauging interest in Historic Central and has an active listing for the Central High School site.

### **What about the District Transportation facilities?**

The current transportation building requires a great deal of repair, including a new roof. In addition, with the limitation of site, to provide any bus shelter would be difficult. A relocation from the current location would be best and coordination with other relocation makes sense.

### **What does the current District planning scenario look like?**

Should the district opt to transfer ownership of Historic Central, relocation of programs and staff would be required. The district sees the value in using part of the Central High School (CHS) site (approx. 20-25 acres) and space would be needed to house District administration services along with some district programming. The District would lease space for both the Area Learning Center (ALC) and Adult Basic Education (ABE). Transportation would also be addressed by moving up to the CHS site. Site work and improvements would be needed at the CHS site in order to parcel and sell the remainder of the property (approx. 50-55 acres).

### **Why are we seeking legislation?**

Legislation will allow us to relocate from Historic Central and spend \$17 million LESS in taxpayer dollars than the cost to stay in Historic Central and address the deferred maintenance projects that have current levy authority. If the district stays in Historic Central, over \$48.5 million in repairs will need to be addressed, but if legislation is supported the district will only spend up to \$31.5 million on relocation plans.