



Intermediate School District 917

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To: ISD 917 School Board Members
Dr. Michael Favor, Superintendent

From: Mark Johns, Director of Finance

Date: August 4, 2026

Re: Key terms of Pond Education Center building lease

Below are the key terms of the proposed building lease agreement with Bloomington Public Schools for Pond Education Center. As a reminder, this space will replace Cedar School and increase our footprint to provide setting IV special education services beginning in the fall of 2027.

Lease term:

- 10-year lease beginning August 1, 2027
- Either party may terminate without cause with a one year notice

Lease rate:

- Same per-square-foot rate currently paid for Cedar School
- Includes 2.5% annual escalation of the rate
- Square footage is approximately two times the square footage of Cedar School, so the actual lease cost will increase correspondingly

Initial construction cost (building updates):

- Collaboration with architects as coordinated by Bloomington Public Schools will begin soon to establish project scope and estimate costs
- ISD 917 will reimburse Bloomington Public Schools for the initial construction cost. Some or all of the initial construction costs may be built into the lease rate
- If Bloomington Public Schools terminates the lease early, they will repay ISD 917 a prorated portion of the initial construction costs

Maintenance:

- Bloomington will be responsible for outer walls, roof, downspouts, basic structural elements and building systems (plumbing, sewage, heating, air conditioning, electrical). If a building system wears out, Bloomington will incur the cost of replacement
- If the building system is damaged by ISD 917, ISD 917 will incur the cost of replacement

Operating Costs (CAMS):

- ISD 917 will provide custodial and boiler services
- Bloomington Public Schools will pay for utilities, telecommunication, security access, garbage, lawn care, and snow removal

Other:

- A separate agreement will be developed to purchase food service from Bloomington Public Schools
- Other equipment, such as lunch tables and chairs, kitchen appliances, and office furniture, will remain in the building for use by ISD 917 at no additional charge. An inventory list will be developed