

## Possible Financing Options and Costs Co-Located Grades 7-12 School

The costs for a new grades 7-12 school for the three independent school districts is an estimate and is dependent upon the work of the subcommittees and decisions made in the future by the three independent school boards on their separate costs associated with a move to a new school. For an estimate, the following have been utilized:

- Initial estimates supplied by architectural firms and the Minnesota Department of Education. Construction costs between \$225-275 per square foot; between 190-210 square feet per student.
- No new track, football field, and ice arenas because of the ability to continue to use the facilities in Virginia and Eveleth.
- Rough demolition costs—each district will determine its own needs and costs.
- Need for a pool and an auditorium in the new school, estimated.
- Adequate practice fields and green space at the new school, estimated.
- Estimates on student population today and into the future.

Estimated enrollment is between 1420 students to 1580 students over the next 6-10 years.

1580 students x 210 ft sq/students x \$275/ft sq= \$91,245,000.

Plus estimated pool, practice fields, gym space, auditorium, demolition, upgrades. Inflation is figured into construction.

Estimated total cost of \$110,000.

Additional funding to come from HF 2629, if passed, which would allow a jointly operated district to receive increased state equalization aid, estimated as follows:

\$110,000,000 million bond, twenty-year term, about 4.4% interest rate.

Annual debt service of about \$8.7-9.2 million per year.

At present Department estimates, equalization aid would be between \$3.9 million – \$4.4 million per year.

It is the plan to seek the remaining debt service amount from the new IRRRB account.

For a consolidated district, equalization aid would drop to about \$2.5 million per year.

Further funding, if passed, would increase state transition aid to a jointly operated facility to \$300 per student per year for five years, totaling approximately \$2.5 million for operating expenses.

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