

DESCRIPTION OF PROPOSED SCHOOL CONSTRUCTION PROJECT

North Lakes Academy (NLA) Charter School, #4053-07, currently serves students in grades 5-12 at two existing sites located in Forest Lake, MN. The "upper" school, located at 308 15th Street Southwest, serves grades 10-12 and the "lower" school, located at 255 7th Avenue Northwest, serves grades 5-9.

NLA through its affiliated building corporation, North Lakes Academy Affiliated Building Company (NLAABC) is proposing a project that would facilitate expansion of the lower school to serve K-8th grade students in a newly constructed, 67,000 square foot facility on a 14 acre site located at 232 Avenue in Forest Lake.

In addition to the proposed new construction, NLA intends to utilize bond proceeds to terminate or buy-out the existing lower school lease which runs through 2025. Estimated project costs, including the lease buy-out and financing costs is \$17,213,707. Cost estimates by project type are as follows:

Project Costs		Existing Lease Buy-Out Costs	
Site Acquisition	\$ 350,000	Buyout Amount	\$ 1,100,000
Construction Costs	\$ 10,455,000	Debt Service Reserve	\$ 99,905
Fees/Permits/Testing	\$ 2,846,775	Capitalized interest	\$ 64,682
Bond Issuance	\$ 344,456	Bond Issuance	\$ 295,413
Debt Service Reserve	\$ 1,006,095		\$ 1,560,000
Capitalized interest	<u>\$ 651,381</u>		
	\$ 15,653,707		

Project costs will be financed by revenue bonds issued by the City of Forest Lake. NLAABC will be responsible for the annual debt service payments associated with the revenue bonds and will, in turn, lease the facility on a long-term basis to NLA. The charter school will use lease aid under Minnesota Statutes, section, 124E.22, and unrestricted general fund dollars to fund the annual lease payments.

NLA has supplied enrollment and operating cost projections showing they will have sufficient pupils and financial resources to fund the lease cost associated with the proposed projects. The charter school board believes the proposed projects are in the best interest of the charter school and address both current and long-term facility needs.

REVIEW AND COMMENT STATEMENT

Based upon the department's analysis of the charter school's required documentation and other pertinent information from sources of the Minnesota Department of Education, as required under Minnesota Statutes, section 124E.13, subdivision 4, and Minnesota Statutes, section 123B.71, the Commissioner of Education is providing a positive review and comment for the proposed projects.

ADDITIONAL INFORMATION IS AVAILABLE

Persons desiring additional information regarding this proposal should contact the administrative office of North Lakes Academy Charter School, #4053-07.

/s/ Brenda Cassellius
Dr. Brenda Cassellius
Commissioner
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