



PROJECT PROPOSAL FOR REVIEW AND COMMENT

ISD #2168

17 DECEMBER 2018

Submitted To:

Minnesota Department of Education Commissioner
Dr. Brenda Cassellius

Submitted By:

Independent School District #2168
NRHEG Public Schools
306 Ash Avenue South
New Richland, MN 56072
Dr. Dale Carlson, Superintendent
(507) 465-3205

Prepared By:

ISG
115 East Hickory Street
Suite 300
Mankato, MN 56001
Rod Schumacher, Principal
(507) 387-6651



NRHEG Public School

Independent School District No. 2168

High School
Ash Ave. South
306 Richland, MN 56072
(507)465-3205
Fax (507)465-8633

New Elementary School
600 School St.
Ellendale, MN 56026
(507)684-3181
Fax (507)684-2108

Our Mission

Empowering students with knowledge and skills to succeed.

Our Vision

To be the school district of choice, inspiring excellence in academics, arts, and activities.

December 17, 2018

Dr. Brenda Cassellius
Commissioner of Education
Minnesota Department of Education
2500 Highway 36 West
Roseville, MN 55101

RE: Project Proposal for Review and Comment NRHEG Public Schools, ISD #2168

Dear Commissioner Cassellius,

In accordance with Minnesota Statute 123B.71, Independent School District #2168 herein submits this improvement project proposal for Department of Education's Review and Comment.

The school board of ISD #2168, by unanimous vote, during its December 17, 2018 meeting, reviewed, authorized, and approved administration to submit to the Department of Education, this project proposal for review and comment.

The proposed project will allow the District to preserve its current investment in education facilities and associated infrastructure. Due to the age of various building system and infrastructure items, a significant investment is needed to preserve our assets and renew or replace various components and systems. In addition, the entrance at the Elementary School needs to be reconfigured to enhance safety and security of building occupants. The bulk of the construction work is planned for the summer of 2020 with a phasing plan to allow work before and after the summer months as well as in subsequent years.

Funding for the proposed project will be provided by general obligation bonds for which the District will seek voter approval in a facilities bond referendum on April 9, 2019. The project will be presented as a single question ballot in the amounts of \$9,100,000.

Specific details regarding the District, the educational and facility needs, the project scope and cost, and the finance plan are included in the following proposal for your review and comment.

For additional information or for any questions, please feel free to contact me at your convenience. On behalf of ISD #2168, I thank you in advance for your cooperation and consideration of this proposal, and we look forward to your response.

Sincerely,

Dr. Dale Carlson
Superintendent

Dale N. Carlson, Superintendent

David A. Bunn, High School Principal

Douglas A. Anderson, Elementary Principal



TABLE OF CONTENTS

Introduction.5

Section 1: Geographic Area and Enrollment Projections.6

Section 2: School Facilities.8

Section 3: Deficiencies + Benefits.9

Section 4: Project Description 12

Section 5: Project Financing 16

Section 6: Obligation to Code Compliance.21

Introduction

This document has been assembled to provide proposed school construction project information to the Commissioner of Education for review and comment. The information is organized and presented in a format consistent with the Minnesota Department of Education's Review and Comment Checklist. Basic information regarding the proposed project is below, with detailed information included in the various sections.

Following a failed referendum in 2015, NRHEG ISD #2168 has taken a step back to strategically plan for its future. An overall strategic plan was developed in 2016. A thorough facility assessment was completed in 2017. A community task force was organized to review options and recommendations in 2018. In addition, a community survey was conducted in the fall of 2018 to gain valuable input from residents of the district. All of these efforts have led to the community task force's recommendation to preserve and maintain the current facilities. This project proposal summarizes the proposed project and financial impact to the taxpayers through a proposed bond referendum.

SCHOOL DISTRICT

Independent School District #2168
NRHEG Public Schools
306 Ash Avenue South
New Richland, MN 56072
Dr. Dale Carlson, Superintendent
Phone: (507) 465-3205
Email: dcarlson@nrheg.k12.mn.us

SCHOOL BOARD

Rick Schultz, Chair
JoAnn Maloney, Vice Chair
Karen Flatness, Clerk
Travis Routh, Treasurer
Dan Schmidt, Member
Neil Schlaak, Member
Mark Tollefson, Member

REFERENDUM DATE

April 9, 2019

FINANCING

General Obligation Bond

DESIGN CONSULTANT

ISG
Mr. Rod Schumacher
(507) 387-6651

FINANCIAL CONSULTANT

Northland Public Finance
Mr. Michael Hart
(612) 851-4966

Section 1:

Geographic Area and Enrollment Projections

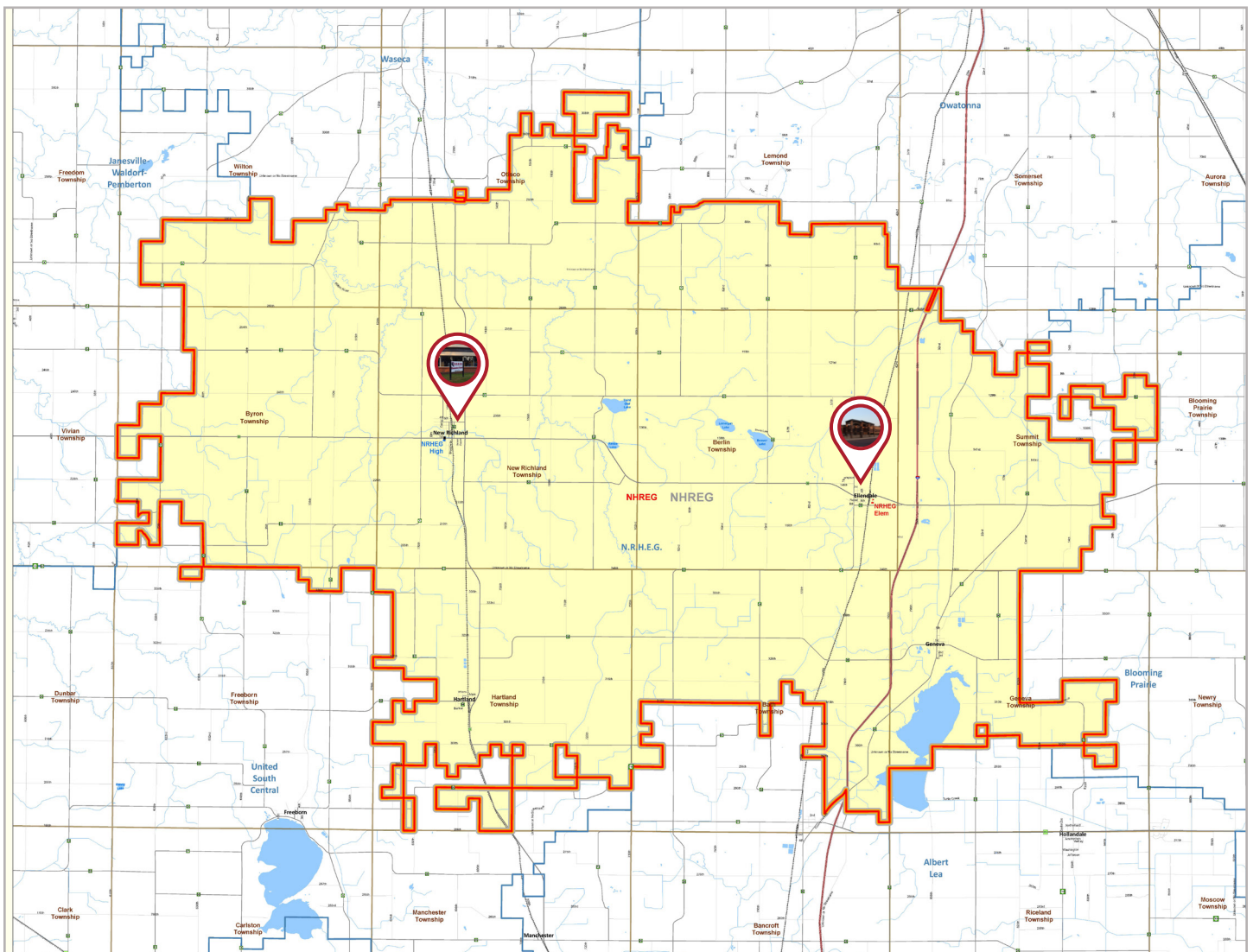
The geographic area and population to be served:

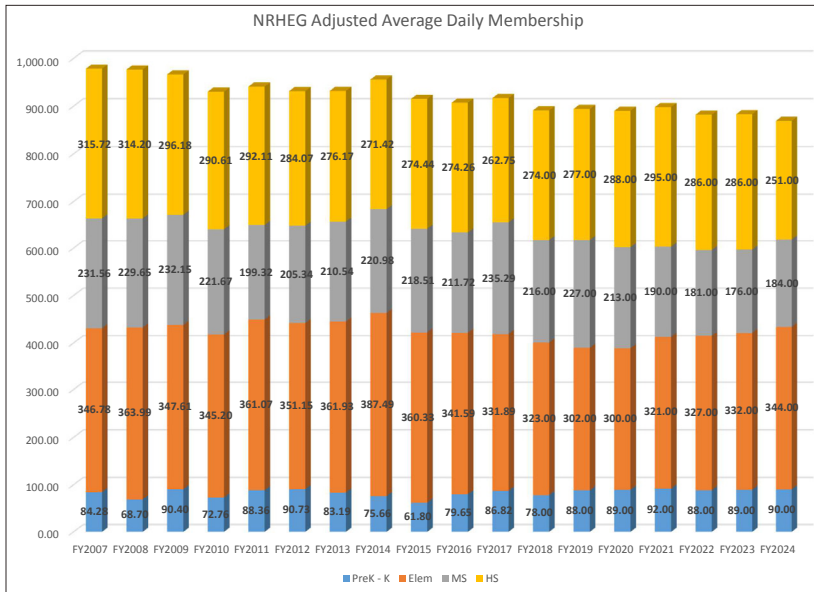
- Preschool through grade 12 student enrollment for the past five years, and
- Student enrollment projections for the next five years.

COMMUNITIES SERVED + GEOGRAPHIC AREA

In 1992, the New Richland-Hartland and Ellendale-Geneva School Districts formally combined to form NRHEG ISD #2168. The NRHEG School District serves 234.93 square miles, which places it just below the average of all Minnesota's school districts. With boundaries located on both sides of Interstate 35 in southern Minnesota, NRHEG ISD #2168 serves the communities of New Richland, Hartland, Ellendale, Geneva and the surrounding rural areas. The NRHEG Public School District is home to approximately 900 PreK–12 students and their families.

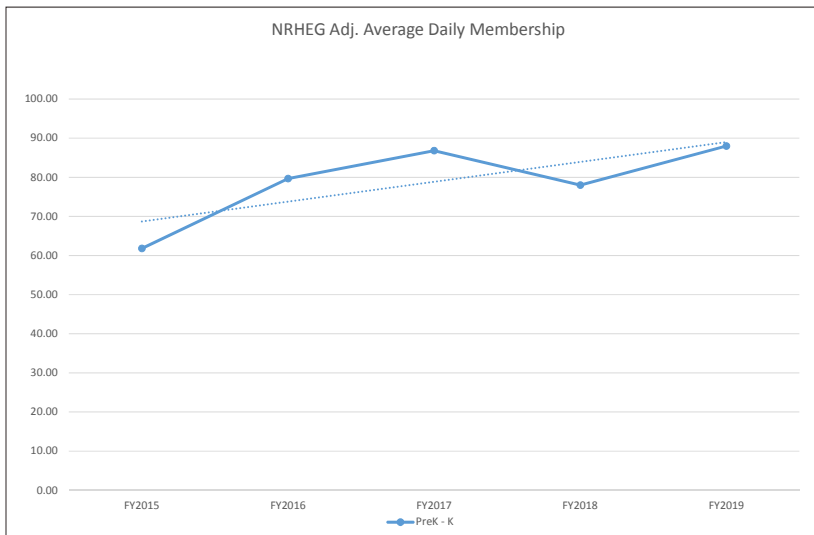
A map of the school district boundaries is included below.



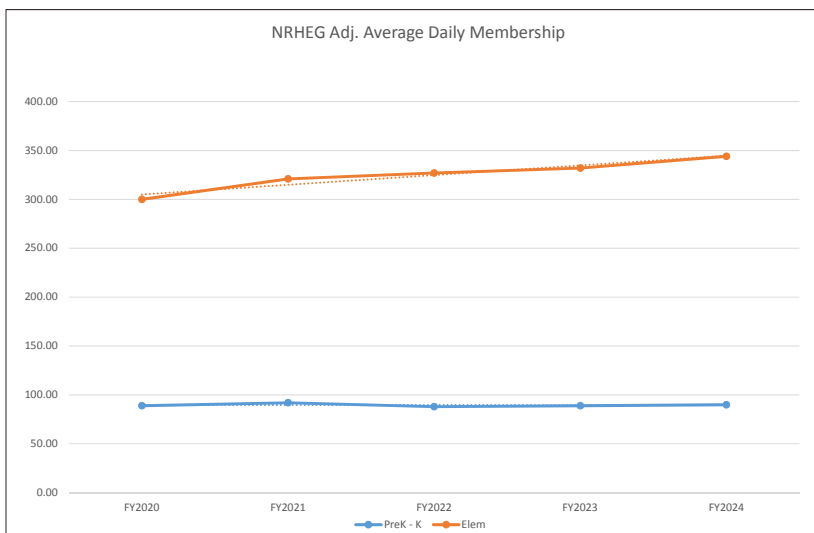


STUDENT ENROLLMENT

NRHEG's historical enrollment data indicates a slightly declining enrollment trend overall. According to current information, NRHEG Public Schools has been experiencing declining enrollment for the past 10 years. The decline has slowed, and perhaps stabilized, for the past three years.



However, closer analysis reveals an increasing enrollment trend over the past five years for early childhood and kindergarten students as shown to the left.



Projections by SchoolFinances.com indicate PreK–12 enrollment will remain stable and elementary student numbers are projected to increase.

Due to increasing enrollment among younger students, NRHEG School District anticipates small fluctuations with stability in overall enrollment.

Section 2: School Facilities

List of existing school facilities:

- By year constructed,
- Their uses, and
- An assessment of the extent to which alternate facilities are available within school district boundaries and in adjacent school districts.

The NRHEG Public Schools currently consists of two educational buildings located within district boundaries. A summary of current facilities, ages, square footage, and primary use is as follows:

Secondary School	Year Constructed	Square Footage	Primary Use
Addition 1	1953	38,210	Middle School
Addition 2	1959	17,250	Band, Choir, Gymnasium
Addition 3	1969	9,360	CTE, Receiving, Heating Plant
Addition 4	1991	50,780	High School Classrooms, Aux. Gym
Total:		115,600	

Elementary School	Year Constructed	Square Footage	Primary Use
Addition 1	1956	27,150	Gymnasium, Cafeteria, Classrooms
Addition 2	1962	18,500	Classrooms
Addition 3	1966	7,920	Classrooms
Addition 4	1994	41,000	Media Center, Offices, Classrooms
Total:		94,570	

Total District Building Space: 210,170 sq. ft.

With slightly declining to stable enrollment, the District is looking to maintain the existing building space and associated infrastructure with improvements to Career and Technical Education (CTE) and Science program areas in the Middle / High School and a secured entrance at the Elementary School.

The District has reviewed the availability of other facilities within and outside of its boundaries. The District has assessed the enrollment areas and strategically identified the current schools that need program area enhancements based on the educational needs and community priorities. The District has found no other available alternate facilities within or outside the District in the service locations that would accommodate programmatic needs. There are no other facilities within the District boundaries that would be suitable for use as educational space.

Section 3:

Deficiencies + Benefits

List specific deficiencies of the facility:

- a. Demonstrating the need for a new or renovated facility to be provided,*
- b. The process used to determine the deficiencies,*
- c. A list of those deficiencies that will and will not be addressed by the proposed projects,*
- d. A list of specific benefits that the new or renovated facility will provide to students, teachers, and community users served by the facility.*

SPECIFIC DEFICIENCIES

The NRHEG School District has gone to great lengths over the past few years to involve both internal and external stakeholders in identifying, quantifying, and prioritizing needs within the District. At the request of the School Board, a Community Task Force was organized to study the needs of the school facilities and develop recommendations for the District to consider. Their primary goal was to provide the Board with community-based feedback to use in planning for future educational, financial, and operational needs.

DEFICIENCIES OF THE ELEMENTARY SCHOOL

Building Security

The current facility utilizes a secured vestibule on the north side of the building. Once inside the secured vestibule, visitors audibly communicate with the office using a video enabled communication device allowing office personnel to see the visitor. Upon approval to enter the facility, it is on the visitors honor to proceed down the hall to the office for full credential verification and check-in.

Infrastructure

The most recent addition is nearly 25 years of age. Not all heating, ventilation, and air conditioning components were replaced at that time. Even those that were have either exceeded the average life expectancy (per Building Owners and Managers Association (BOMA) and/or the American Society of Heating, Refrigerating, and Air-Conditioning (ASHRAE)) or are approaching it. In addition, current mechanical systems are not meeting ASHRAE standards for indoor air quality or filtration.

Education Adequacy

When the Ellendale-Geneva School District combined with The New Richland-Hartland School District in 1992, all secondary education was moved to the New Richland facility. Several areas within the now Elementary School were simply used differently with no adaptation to new and different programs. One such area is the band and music room. At one time this area was used as the Ellendale-Geneva high school band and music instruction. Currently the space is over-sized and under-utilized for the elementary music programs. An adjacent industrial tech area is now being used as a SMART room and is also over-sized and under-utilized. Overall, the facility lacks appropriate spaces for collaborative learning, makers space, STEM/STEAM programming, and elementary art programs.

DEFICIENCIES OF THE MIDDLE / HIGH SCHOOL

Infrastructure

Maintenance and code upgrades have been deferred in past to meet annual budgets leading to several roof top units in need of replacement, and controls to be updated from pneumatic to digital. In the stage area air handling units need to be replaced and several areas of the building should receive dehumidification or cooling capabilities to achieve indoor air quality guidelines. In addition, electrical systems are undersized, the building envelope is in need of tuckpointing and repairs, storm water is infiltrating the crawl space beneath the south wing, and many restrooms do not meet the American with Disabilities Act (ADA) standards.

Education Adequacy

Several issues exist within the facility in relation to programming and space use:

- Science rooms for the Middle School are woefully inadequate. No plumbing, natural gas, or exhaust ventilation are available for use which severely limit the education opportunities for our students.
- Science rooms for the High School are heavily used and worn. An additional fume hood is needed to support the programs offered within the curriculum.
- Career and Technical Education spaces are cramped and combined. Special care and program limitations are taken within the combined metals and woods space to avoid fire hazards.
- Career and Technical Education programming and curriculum is limited by the space available.
- Family and Consumer Science is dated and not responsive to current culinary arts curriculum. The equipment and layout is set up for as a residential setting instead of a commercial environment.
- The media center is oversized and larger space is needed for maker spaces, three-dimensional printing, and other technical programs.
- The health, fitness, and wellness room is undersized. Students are performing exercise routines and activities in hallways. The small space also limits the amount of equipment available to students.
- While adequately sized, the music area storage systems are in need of replacement. In addition, improved acoustical treatments and presentation technology is out of date.

Code Compliance

The lower level of the athletic area does not meet exiting requirements set forth in the fire code. Additionally, many restrooms within the building do not meet current standards set forth by ADA.

SPECIFIC BENEFITS:

Elementary School - Safety and Security

Elementary School users will benefit from an improved secured entrance. The primary entrance will be moved from the north entrance to the east entrance, adjacent to the administrative office. The office area will be reconfigured to improve visibility as visitors approach the building and to route them directly into the office area for credentialing and check-in prior to accessing the building. In many cases, visitors will not need to enter the educational spaces and business can be conducted within the confines of the office space.

Elementary School – Infrastructure

The proposed project will result in many infrastructure improvements including but not limited to:

- Mechanical system in the old gymnasium
- Mechanical system controls updated from pneumatic to digital
- Heating /cooling coils within roof-top units should be in reverse order
- Replacement of the steam heating plant with hot water boilers
- Add dehumidification / cooling capabilities to various building areas

Secondary School – ADA Compliance

The occupants and users of the secondary school will benefit from improved accessibility within restroom facilities. Considerations will be given to trans-gender and family needs as well. As other areas of the facility are improved, building code will require restrooms meet current accessibility standards.

Secondary School – Science Classrooms

The proposed project directly benefit students in the science areas. With plumbing, natural gas, and exhaust ventilation added to the Middle School science classroom(s), the curriculum can be improved to provide additional learning opportunities with hands-on experiences. An additional fume hood and improved lab stations within the High School science rooms will allow learners more hands-on opportunities and small group collaboration events.

Secondary School – Career and Technical Education Classrooms and Labs

Separation of woods and metals areas will increase safety factors when compared to the existing combined areas. Additional space will also allow the curriculum to be enhanced providing opportunities for partnerships with private industries in areas such as welding, masonry, agriculture, and the culinary arts.

Secondary School – Infrastructure

The proposed project will result in many infrastructure improvements including but may not be limited to:

- Mitigation of moisture intrusion beneath the south wing
- Tuck-pointing of exterior masonry
- Replacement of Roof-Top Units
- Conversion of HVAC controls from pneumatic to digital
- Add dehumidification / cooling capabilities to various building areas
- Replacement of casework in various classrooms

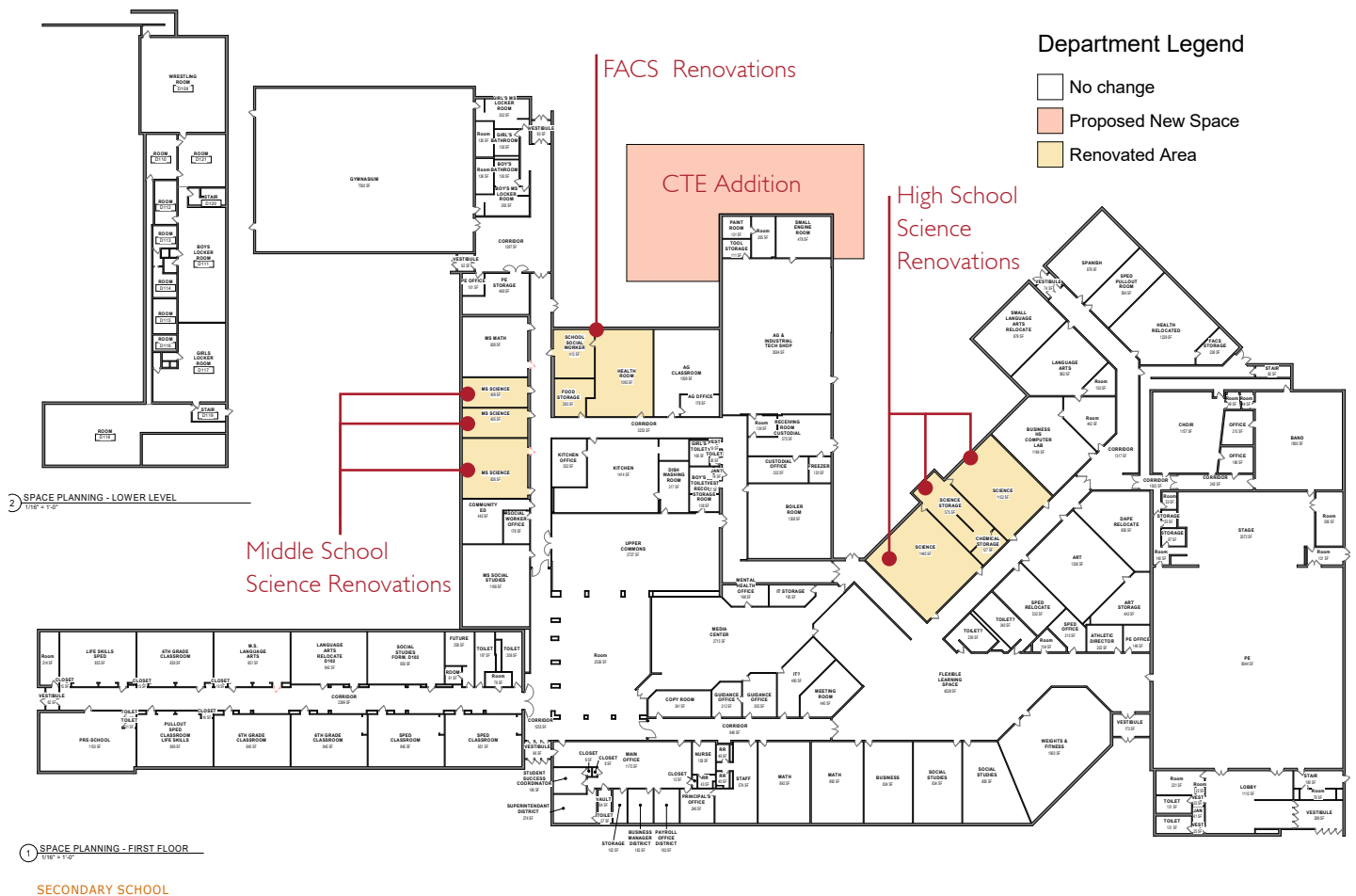
Section 4: Project Description

A description of the project including:

- Specifications of site and outdoor space acreage,
- Square footage allocations for classrooms, laboratories, and support spaces,
- Estimated expenditures for major portions of the project,
- Estimated changes in facility operating costs, and
- Dates the project will begin and be completed.

SITE SPECIFICATIONS AND OUTDOOR SPACE ACREAGE

NRHEG Public Schools, with its Secondary School in New Richland and Elementary School in Ellendale, has occupied on these sites since prior to 1900. Various additions and renovations to the buildings have occurred over the years, and the proposed project is replacing existing infrastructure, reconfiguring existing space, and a small addition for CTE space at the Secondary School.



SQUARE FOOTAGE ALLOCATIONS

Proposed space use and associated square footages will not change significantly within this proposed project. The proposal is largely addressing deferred infrastructure updates, small reconfigurations of existing spaces and a small addition for CTE programs. Infrastructure improvements will be throughout each facility.

Office Reconfiguration
and Secured Entrance

SPACE PLANNING

- Area of Renovation
- No change



1 SPACE PLANNING - FIRST FLOOR
1/16" = 1'-0"

ESTIMATED EXPENDITURES FOR THE PROJECT

The proposed bond referendum will be a single question in the amount of \$9,100,000 based on the following key project components:

Elementary School	
Secured Entrance Improvements	\$360,000.00
Infrastructure Improvements	\$1,784,000.00
Elementary Construction Sub Total:	\$2,144,000.00
Secondary School	
ADA Improvements	\$240,000.00
Science Classrooms	\$797,600.00
Infrastructure Improvements	\$2,400,000.00
CTE Classrooms and Labs	\$1,680,000.00
Secondary Construction Sub Total:	\$5,117,600.00
Total Construction Costs	\$7,261,600.00
Soft Costs + Contingency	\$1,838,400.00
Total Per Amount of Bonds	\$9,100,000.00
Underwriters Discount	\$86,450.00
Cost of Issuance	\$41,000.00
Deposit to Capitalized Interest Fund	\$119,001.00
Rounding Amount	\$471.55
Total	\$9,346,922.55

A survey of our residents indicated approximately \$9,000,000 would be supported by our taxpayers. While our district has needs beyond the \$9,000,000, including improvements to art and music spaces, special education areas, preschool instruction classrooms, fitness and wellness rooms, makerspace, and collaborative and flexible learning areas, we are hoping the prioritized and proposed projects can be completed under budgeted amounts. If this occurs, perhaps we can complete a few items next on the prioritized list.

ESTIMATED CHANGES IN OPERATING COSTS

The proposed project involves the addition of approximately 3,000 square feet of education space for the CTE programs. The additional square footage is not significant enough to warrant additional maintenance, housekeeping, or administrative staff.

Estimated annual utility costs associated with the additional square footage is estimated at \$1.20 per square foot or \$3,600 annually. This is a negligible increase in net annual operating costs further offset by improvements in energy efficiency within the new space and infrastructure improvements such as digital controls and changing from a steam to a hot water heating plant.

PROJECT SCHEDULE

- Bond Referendum
April 9, 2019
- Design Phase
May 2019 – December 2019
- Bid & Award
December 2019 – January 2020
- Construction Phase
April 2020 – August 2021

Section 5: Project Financing

A specification of the source of project financing including:

- a. Applicable statutory citations,*
- b. The scheduled date for a bond issue or board action,*
- c. A schedule of payments, including debt service equalization aid, and*
- d. The effect of a bond issue on local property taxes by property class and valuation.*

The District plans to finance the project through the issuance of school building bonds. The District plans to hold an election in November 2018, seeking voter approval for issuance of bonds. If approved, the District plans to issue the bonds on or about February 2019.

Specific information related to bond financing, provided by Northland Public Finance, is as follows.

ISD No. 2168 (New Richland-Hartland-Ellendale- Geneva), MN

\$9,100,000 G.O. School Building Bonds, Series 2019A

(Preliminary BQ, A+ Rates + 50 BPS as of 11/28/18)

Sources & Uses

Dated 08/01/2019 | Delivered 08/01/2019

Sources Of Funds

Par Amount of Bonds	\$9,100,000.00
Reoffering Premium	246,922.55
Total Sources	\$9,346,922.55

Uses Of Funds

Total Costs of Issuance	127,450.00
Deposit to Capitalized Interest (CIF) Fund	119,001.00
Deposit to Project Construction Fund	9,100,000.00
Rounding Amount	471.55
Total Uses	\$9,346,922.55

GO 19A Premium | SINGLE PURPOSE | 12/ 6/2018 | 11:49 AM

Northland Securities, Inc.
Public Finance

Page 1

ISD No. 2168 (New Richland-Hartland-Ellendale- Geneva), MN

\$9,100,000 G.O. School Building Bonds, Series 2019A

(Preliminary BQ, A+ Rates + 50 BPS as of 11/28/18)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2019	-	-	-	-	-
08/01/2020	-	-	396,670.00	396,670.00	-
02/01/2021	-	-	198,335.00	198,335.00	595,005.00
08/01/2021	-	-	198,335.00	198,335.00	-
02/01/2022	80,000.00	4.500%	198,335.00	278,335.00	476,670.00
08/01/2022	-	-	196,535.00	196,535.00	-
02/01/2023	90,000.00	4.000%	196,535.00	286,535.00	483,070.00
08/01/2023	-	-	194,735.00	194,735.00	-
02/01/2024	365,000.00	4.000%	194,735.00	559,735.00	754,470.00
08/01/2024	-	-	187,435.00	187,435.00	-
02/01/2025	380,000.00	4.000%	187,435.00	567,435.00	754,870.00
08/01/2025	-	-	179,835.00	179,835.00	-
02/01/2026	395,000.00	4.500%	179,835.00	574,835.00	754,670.00
08/01/2026	-	-	170,947.50	170,947.50	-
02/01/2027	415,000.00	4.500%	170,947.50	585,947.50	756,895.00
08/01/2027	-	-	161,610.00	161,610.00	-
02/01/2028	435,000.00	4.500%	161,610.00	596,610.00	758,220.00
08/01/2028	-	-	151,822.50	151,822.50	-
02/01/2029	450,000.00	4.500%	151,822.50	601,822.50	753,645.00
08/01/2029	-	-	141,697.50	141,697.50	-
02/01/2030	470,000.00	4.500%	141,697.50	611,697.50	753,395.00
08/01/2030	-	-	131,122.50	131,122.50	-
02/01/2031	495,000.00	4.500%	131,122.50	626,122.50	757,245.00
08/01/2031	-	-	119,985.00	119,985.00	-
02/01/2032	515,000.00	4.500%	119,985.00	634,985.00	754,970.00
08/01/2032	-	-	108,397.50	108,397.50	-
02/01/2033	540,000.00	4.250%	108,397.50	648,397.50	756,795.00
08/01/2033	-	-	96,922.50	96,922.50	-
02/01/2034	560,000.00	4.250%	96,922.50	656,922.50	753,845.00
08/01/2034	-	-	85,022.50	85,022.50	-
02/01/2035	585,000.00	4.250%	85,022.50	670,022.50	755,045.00
08/01/2035	-	-	72,591.25	72,591.25	-
02/01/2036	610,000.00	4.250%	72,591.25	682,591.25	755,182.50
08/01/2036	-	-	59,628.75	59,628.75	-
02/01/2037	635,000.00	4.250%	59,628.75	694,628.75	754,257.50
08/01/2037	-	-	46,135.00	46,135.00	-
02/01/2038	665,000.00	4.300%	46,135.00	711,135.00	757,270.00
08/01/2038	-	-	31,837.50	31,837.50	-
02/01/2039	690,000.00	4.500%	31,837.50	721,837.50	753,675.00
08/01/2039	-	-	16,312.50	16,312.50	-
02/01/2040	725,000.00	4.500%	16,312.50	741,312.50	757,625.00
Total	\$9,100,000.00	-	\$5,296,820.00	\$14,396,820.00	-

Date And Term Structure

Dated	8/01/2019
Delivery Date	8/01/2019
First available call date	2/01/2028
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$121,240.00
Average Life	13.323 Years
Average Coupon	4.3688717%

Net Interest Cost (NIC)	4.2365122%
True Interest Cost (TIC)	4.1840836%
All Inclusive Cost (AIC)	4.2294320%

IRS Form 8038

Net Interest Cost (NIC)	4.2365122%
Weighted Average Maturity	13.226 Years
Bond Yield for Arbitrage Purposes	4.0742415%

GO 19A Premium | SINGLE PURPOSE | 12/6/2018 | 11:49 AM

Northland Securities, Inc.

Public Finance

Page 2

ISD No. 2168 (New Richland-Hartland-Ellendale- Geneva), MN

\$9,100,000 G.O. School Building Bonds, Series 2019A

(Preliminary BQ, A+ Rates + 50 BPS as of 11/28/18)

Net Debt Service Schedule

Date	New Bonds				Capitalized Interest	Existing Debt Service	Combined Debt Service
	Principal	Coupon	Interest	Total P+I			
08/01/2019	-	-	-	-	-	-	-
02/01/2020	-	-	-	-	-	276,100.00	276,100.00
08/01/2020	-	-	396,670.00	396,670.00	(119,001.00)	-	-
02/01/2021	-	-	198,335.00	198,335.00	-	276,000.00	752,004.00
08/01/2021	-	-	198,335.00	198,335.00	-	-	-
02/01/2022	80,000.00	4.500%	198,335.00	278,335.00	-	280,800.00	757,470.00
08/01/2022	-	-	196,535.00	196,535.00	-	-	-
02/01/2023	90,000.00	4.000%	196,535.00	286,535.00	-	275,400.00	758,470.00
08/01/2023	-	-	194,735.00	194,735.00	-	-	-
02/01/2024	365,000.00	4.000%	194,735.00	559,735.00	-	-	754,470.00
08/01/2024	-	-	187,435.00	187,435.00	-	-	-
02/01/2025	380,000.00	4.000%	187,435.00	567,435.00	-	-	754,870.00
08/01/2025	-	-	179,835.00	179,835.00	-	-	-
02/01/2026	395,000.00	4.500%	179,835.00	574,835.00	-	-	754,670.00
08/01/2026	-	-	170,947.50	170,947.50	-	-	-
02/01/2027	415,000.00	4.500%	170,947.50	585,947.50	-	-	756,895.00
08/01/2027	-	-	161,610.00	161,610.00	-	-	-
02/01/2028	435,000.00	4.500%	161,610.00	596,610.00	-	-	758,220.00
08/01/2028	-	-	151,822.50	151,822.50	-	-	-
02/01/2029	450,000.00	4.500%	151,822.50	601,822.50	-	-	753,645.00
08/01/2029	-	-	141,697.50	141,697.50	-	-	-
02/01/2030	470,000.00	4.500%	141,697.50	611,697.50	-	-	753,395.00
08/01/2030	-	-	131,122.50	131,122.50	-	-	-
02/01/2031	495,000.00	4.500%	131,122.50	626,122.50	-	-	757,245.00
08/01/2031	-	-	119,985.00	119,985.00	-	-	-
02/01/2032	515,000.00	4.500%	119,985.00	634,985.00	-	-	754,970.00
08/01/2032	-	-	108,397.50	108,397.50	-	-	-
02/01/2033	540,000.00	4.250%	108,397.50	648,397.50	-	-	756,795.00
08/01/2033	-	-	96,922.50	96,922.50	-	-	-
02/01/2034	560,000.00	4.250%	96,922.50	656,922.50	-	-	753,845.00
08/01/2034	-	-	85,022.50	85,022.50	-	-	-
02/01/2035	585,000.00	4.250%	85,022.50	670,022.50	-	-	755,045.00
08/01/2035	-	-	72,591.25	72,591.25	-	-	-
02/01/2036	610,000.00	4.250%	72,591.25	682,591.25	-	-	755,182.50
08/01/2036	-	-	59,628.75	59,628.75	-	-	-
02/01/2037	635,000.00	4.250%	59,628.75	694,628.75	-	-	754,257.50
08/01/2037	-	-	46,135.00	46,135.00	-	-	-
02/01/2038	665,000.00	4.300%	46,135.00	711,135.00	-	-	757,270.00
08/01/2038	-	-	31,837.50	31,837.50	-	-	-
02/01/2039	690,000.00	4.500%	31,837.50	721,837.50	-	-	753,675.00
08/01/2039	-	-	16,312.50	16,312.50	-	-	-
02/01/2040	725,000.00	4.500%	16,312.50	741,312.50	-	-	757,625.00
Total	\$9,100,000.00	-	\$5,296,820.00	\$14,396,820.00	(119,001.00)	\$1,108,300.00	\$15,386,119.00

GO 19A Premium | SINGLE PURPOSE | 12/6/2018 | 11:49 AM

Northland Securities, Inc.

Public Finance

ISD # 2168, N.R.H.E.G.**Tax Impact Analysis**

Project Cost			\$9,100,000
Term of Bond			20
Assumed True Interest Cost			4.11%
Levy Increase @ 105%			\$498,161
District NTC Value			\$10,710,108
Additional Tax Rate			4.65%
	Est. Market Value	NTC Value	Estimated Annual Tax Increase
Residential Homestead	75,000	450	21
	100,000	718	33
	150,000	1,263	59
	200,000	1,808	84
	250,000	2,353	109
Commercial-Industrial	\$50,000	750	\$35
	100,000	1,500	70
	250,000	4,250	198
	\$/acre	NTC /acre	
Agricultural Homestead	\$3,000	15	\$0.42
	5,000	25	0.70
	7,000	35	0.98
Agricultural Non-Homestead	\$3,000	30	\$0.84
	5,000	50	1.40
	7,000	70	1.95

*Tax impact for Agricultural Homestead land up to \$1,940,000 in value. Additional value is taxed like Ag Non-Homestead

Assumptions

1. Assumes interest rates as of 11-28-2018 plus .5%, bonds sold August 1, 2019
2. No growth assumed in district taxable net tax capacity
3. All agricultural tax impacts include 40% reduction related to Ag2School Tax Credit
4. Debt Service is structured to wrap around current outstanding general obligation debt



Section 6: Obligation to Code Compliance

Documentation obligating the School District and contractors to comply with the following items:


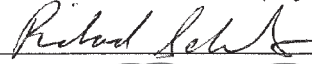

- a. Section 471.345 governing municipal contracts.
- b. Sustainable design.
- c. School facility commissioning under section 123B.72, certifying the plans and designs for heating, ventilating, air conditioning and air filtration meet or exceed current code standards, including ASHRAE air filtration standard 52.1.
- d. American National Standard on Classroom Acoustics performance criteria, design requirements, and guidelines for schools on maximum background noise levels and reverberation times.
- e. State fire code.
- f. Chapter 326B governing building codes.
- g. Consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit and safe access to pedestrians and cyclists.

Attachment 1
Review and Comment
Section #6 Documentation
(as amended by the 2014 Legislature)

Documentation obligating the school district and contractors to comply with items (i) to (vii) in planning and executing the project:

- (i) The school district will be in compliance with Minnesota Statute 471.345 governing municipal contracts issued for this project;
- (ii) The school district and the architects will include elements of sustainable design for this project;
- (iii) If the project installs or modifies facility mechanical systems, the school district, architect/engineers and contractors will be in compliance with school facility commissioning under Minnesota Statute 123B.72 certifying the plans and designs for the heating, ventilating, air conditioning, and air filtration for an extensively renovated or new facility meet or exceed current code standards, including the ASHRAE air filtration standard 52.1;
- (iv) If the project creates or modifies interior spaces, the district, architects/engineers and relevant contractors have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times;
- (v) The project will be in compliance with Minnesota State Fire Code;
- (vi) The project will be in compliance with Minnesota Statute chapter 326B governing building codes; and
- (vii) The school district and the architects/ engineers have been in consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit, and safe access for pedestrians and cyclists.

The school district and architect/engineers will maintain documentation showing compliance with these items upon and subsequent to project completion.

Superintendent Signature:  Date 12-7-18
 Board Chair Signature:  Date 12-7-18
 Architect/Engineer Signature:  Date 12-7-18