

## School Expansion Possibilities Committee Minutes

Tuesday, February 25, 2020

4:30 pm - 5:30 pm

Room 8C

Members: John G, ~~Shannon F~~, ~~Tom J~~, Ken L, Emily W, ~~Dan E~~, Girish J, Jeff E, Noah (present - 2nd half), Judy and Lisa A

Purpose: The purpose of the School Expansion Committee is to research possibilities for expansion. If the determination is made to expand, the committee will have to develop and implement a plan for expansion.

Remember: This is a BOD Committee, so we do have to abide by open meeting laws, therefore, agendas and meeting notes will be published. This Committee is open to the public.

4:30 pm        Regular meeting  
5:00 pm        Kevin Peck (Suntide Realty)  
5:30 pm        Committee debrief

### 1. Discuss criteria for choosing contractor/consultant (We will need sealed bids)

- Services/capabilities
- Experience/expertise
- Staff resources provided
- Fees and fee structure
- Projected timeline
- Overall understanding of the process
- Overall presentation and fit
- Post completion support (Long-Term Maintenance)
- Additional comments

### 2. Discuss next steps and decision timeline

- a. Date to choose the consultant: May Board Meeting (at the latest)
- b. We should put together a grid to be able to compare and contrast the elements- this should be done before the March Board Meeting
- c. Come up with the same set of criteria before the phone calls
- d. John, Lisa, Jeff and Judy would like to be on the call with the consultants if possible.

### 3. Discuss preparations for Annual Stakeholder Meeting

- a. During April - either at the regular meeting or after
- b. We should publicize it to get people to attend

#### 4. Questions for the Student Survey

- a. Emily tried to cover a multitude of topics for the questions
- b. Timing (Late March to Early April)
- c. Send to all students, but separate between Middle and High School results
- d. Lisa and Emily will work together on this

Kevin Peck (Suntide Realty)

Introductions

His Background: Commercial real estate for 15 years, 12 years on charter schools and speciality properties

Wife is administrator at Charter School in Forest Lake

Works with 3-4 charter schools per year including building them, finding additional space, zoning and/or additions.

He worked with Woodbury Leadership Academy and did a lot of market research 5 years ago , and at that time, there were 30-40 buildings between here and Cottage Grove, although that has changed now.

KP Q: Are you interested in staying in Woodbury or 833?

We are interested in staying in 833 because of bussing, and are open to Cottage Grove as well.

KP Q: How many students do you want to add? Or do you want new growth or new grades?

Measured growth, but keep grades 6-12.

Q: Do you only look at existing buildings?

KP: have done new construction as well, but that is much more costly.

\$80-150 per sq foot for existing buildings although it might be more for build-out.

New is probably closer to \$150-250 per square foot

He works with mostly 2-3 building companies

KP: What is the timing?

We have the luxury of time, hopefully we can make some critical decisions in the next year, and then maybe start some building in the next 18 months after that

KP: If you find an existing building in the summer, you can sign a lease near the end of the year and let the parents know. And then you can have the construction finished for the next fall.

If you want to build you should add at least 6 months to that time frame and maybe 90 more days for the city planning, but I can help with you with all of the process

Q: If you helped Woodbury Academy, what are some general lessons that we can learn from that experience?

KP: The real estate market is good now, so it will be a lot harder to find pre-existing buildings.

One challenge was they wanted to go back to the private school that they had started in, but the

city wouldn't let them. Then they tried to go to Crosswinds and that didn't work. And then Globe wouldn't commit to making a new school because of the lawsuits and such, but later on they were able to convince Globe after a few years of success to make the investment. So circumstances changed. There are some old law offices, and churches around but those tend to be smaller and not so much of a campus.

Q: How long does it take to recoup the landlord's investment?

KP: On a 5 year lease, they would give you 2 years

Q: Do any landlords give you rent-to-buy options, or leasing instead of buying?

KP: Sometimes, but then you have to negotiate different elements, but obviously the landlord is losing money if their building is empty.

Q: Is now a good time to look for buildings?

KP: There are some, but there is a lot of demand for industrial and office buildings. We try to plan on 100 square feet per student while we are looking, and the old Goodwill on Hudson, might work. But there are also off-market deals available, and landowners are sitting on land as well.

Q: So no old schools with fields just sitting around?

KP: No, but maybe some of the old Catholic Schools, or New Life Academy?

KP: I am paid by the landlord or the seller and not until closing.

Q: What construction companies have you worked with?

KP: Rochon, Kraus-Anderson, Zimmer (The Archdiocese tends to work with them)

You will need an architect to help you design the building, but that person should have some experience with schools to understand the flow of schools?

Q: Do you already have relationships with the landlords, or can you go anywhere?

KP: I have some, but I will show you more. I want the right fit for you. Actually, the Archdiocese is the largest landlord for charter schools - so you might be able to contact them. There are some landlords who might be willing to step in for a short period of time. Some of them have multiple charter schools as tenants.

Q: Where is your office located?

KP: In St. Paul, I switched from KW to Suntide, but I mostly work metro wide.

Q: Did you ever work with larger companies who need to sell off land just for a tax write off?

KP: Yes, I have tried to...we tried to work Medtronic to work with Northeast College Prep, but it didn't work out for them. But most of the time, it doesn't work out, because the company would lose money. And farmland around her is starting to run out due to housing developments.

KP: are you staying here or moving, or both?  
We are not sure yet.

We will contact him if we need more information.

Committee Debrief:

Next steps: we'll put together a list of criteria and then make some phone calls.  
It would be nice to talk to Windermere now that we know more.

Jeff took the New Plan Learning 'brochure' that John received in the mail

Will the committee give a recommendation to the BOD? Or just a packet of information to the BOD? For sure a packet, and probably a recommendation. The group agreed that strengths and weaknesses would be shared, and probably a recommendation.

Next meeting  
March 31 4:30-5:30