

Beacon Academy Special Board Meeting

December 3, 2008

5:00 p.m.

Call to Order: *Tam Harken called the meeting to order at 5:05 p.m.*

Roll Call (present at time of meeting unless otherwise noted):

Tam Harken	Kalin Farrell	Jordan Ford (ex-officio)
Bob Zarriello	Candace Newman	Scott DesBles
Ann Marie Roder	Lori Karcz	Cathy Burke
Anne Ingvaldson	Terese Corey Blanck	Kalin Richardson

Advisory Members:

Janet Carlson

Misc. Attendees:

Kim Nelson	Rachel Parnes	John Cairns (attorney)
David Carlson	Melanie Spall	Clint Carlson
Paul Larson	Tim Beard	Paul Lentz
Ron Ledoux	Doug Lundell	Kristi Pingel
Brandon Burbach	Jon Parisian	Eric Born
Karen Born	Nissa Manley	Mark Birnbaum
Jacquie Timperley	Sonya Worner	Bill Johnson
Karen Cieminski		

Approval of Meeting Agenda:

Motion:	To approve the agenda.		
Made by:	Anne	Seconded by:	Kalin
Discussion:			
Vote:	Yea: all	Nay:	Abstain:
Decision:	Motion passes.		

Clint Carlson- *Clint showed pictures of an addition to the current building that has already been approved by the City of Plymouth. This is a 10,500 square foot addition that could allow 400-450 students to fit into the building. Clint has been talking to Wells Fargo and he feels that there is tax-exempt funding available. According to Clint, we can make current facility improvements affordable under his financing package. Clint included a letter from his banker, Ken R. Munroe, in his handouts. (See handout) Clint also added that a middle school addition could be added into what is now a sloped wooded area behind the school. Clint said that there are 5.5 acres on this site that could easily accommodate a second addition. According to Clint, this building is very financeable and he currently has a 3 million dollar line of credit.*

John Cairns and Tam said that we are still waiting for Clint to answer some questions for us that were sent to him several weeks ago. Here are some of the questions that the board has asked to have answered:

-When will the lease for this school year be completed?

-Is there an option to lease for the 2009-2010 school year?

-How much is this building worth? We would like a current appraisal done.

-Is this site and building able to function for 45 years? Per John, in order for bonding to go through, this building including the roof, HVAC, Electrical, and the outside structure of the building must be feasible for that amount of time.

-When and how are we going to meet ADA requirements?

-What exactly is the property line of the building in respect to the frontage road? We need assurances that the City of Plymouth will permit parking beyond the grass area on the north side of the building.

-Is the frontage road going to be redone and when? We have seen indications

from the

City that a rework of the frontage road is imminent which may include closing the

Larch

Lane intersection and making other changes that may make access for parents

and

busses very complicated.

-Is there enough space on the property to include the addition and still have

adequate

space for students to play at recess? We need assurances that the City will

approve

site improvements for recreation areas that are sufficient to meet the School's

needs.

-Does the addition meet the needs of our students? We need assurances that the

addition

will be designed to best serve Beacon Academy's programs.

According to Tam, the information that Clint presented is helpful, but we still have questions that need to be answered before we can move forward. John's advice to the board is to figure out a lease for this current school year now and then try to figure out plans for next year. The lease for this year needs to be signed before we can even continue to talk about future plans for this site. Clint agrees with John that the lease needs to get signed as soon as possible. Clint said that there has been a lot going on with trying to get the land ready for the portables and that he has just gotten the permits secured for the portables.

Tam said that we have received to date 43 e-mails from parents (out of a total 273 families) regarding their opinions on the future of Beacon Academy. We thank parents for all of their input and to PAC for requesting parents to send their opinions to the board. The board has reviewed all e-mails and they will be filed for us to continue to review. Jordan has some summary information from the e-mails that is presented below:

Percentage of parent e-mails and their opinions (there is some overlap of numbers):

Purchase and refurbish current facility-16%

Wait for ability to complete purchase and build new facility but relocate to another temporary location-70%

Wait for ability to complete purchase and stay at current site for another year- 23%
Concerns about current facility related to safety-14%
Let the board decide what is best for students- 5%
Like the Plymouth area-5%

The Quantum Building that Beacon Academy currently occupies is 33,000 square feet and this year we utilize 29,300 square feet. The addition would add 10,500, bringing the total square feet to 43,000.

Candace is concerned about a lack of green space and where students would play if we were to add two additions to the current site. Clint has proposed that construction could begin as early as this February. The question was raised, if students could continue to inhabit the building and the portable during construction because it could be quite disruptive.

Option 1- Purchase Currently Identified Land; build to suit (See handout)

The first option that was presented to the board was to purchase the currently identified land and go forward with the building plans. At this point, regardless of when we close on the new site, we still need to find a place to be for the 2009-2010 school year. The only building that we can afford now on the new site would be 35,000 square feet and in order to get the funding we would need to prove that we can fit 650 students in that space. It will not work to build in phases because enrollment drives lease aid and that determines how much money we have for the construction process. Since we would not be able to fit 650 students into a 35,000 square foot building, the board developed a consensus that this is really not a viable option right now.

The board needs to decide if we should purchase the land now or wait until later. We have the ability to extend the purchase agreement with extensions starting in March. The extensions are \$7,500 each and each last 30 days. We would be able to hold the land through purchasing extensions through August if that is our desire. The money paid for extensions would go toward buying the land if we went through on the deal and would be lost if we did not go through on the deal. Based on the direction given by the school board to Friends of Beacon to pursue the land acquisition and new facility project, Friends of Beacon reports they have incurred about \$80,000 of development costs (legal, architectural, and development). These costs will be funded by a loan from Venture Bank to Friends of Beacon by a pledge of a Certificate of Deposit owned by the school which will be released at a later date. We will continue to consult with our financial manager and auditor regarding accounting rules as we progress towards completion of the contemplated facility program.

Bob informed us that the seller of the land in Maple Grove is willing to work with us on a contract for deed, meaning that we would not need to pay all of the money for the land upfront. Anderson Builders will continue to work out the details with Friends of Beacon. The land is 1.4 million dollars and the construction costs were projected at approximately 8 million dollars.

Option 2- Commit to purchase Quantum Development Building

The second option that was presented to the board was to purchase the Quantum Development Building that Beacon Academy currently resides in. In order to do this, we would need to have a current appraisal done of the building and we need to have a 3rd party do a comprehensive building analysis. We need to be able to demonstrate to a bonding company that the building will be feasible for the next 45 years. We also need to consider whether or not we would be able

to stay in the building during the renovation and addition. We would only be able to have 2 sections of each grade if we stay at this site.

About a year ago Beacon Academy did a shell test that showed that the chimney was deteriorating, there was water between the bricks and the walls, and that there were problems with the roof, especially above the gymnasium. Improvements to fix just these things was estimated at about half a million dollars. We also need to look into environmental concerns, ADA compliance, and heating and cooling issues. All of these things have costs and negotiations would have to take place with the building owner to figure out who would pay for what. The board needs to know all expenses before we can continue down the road of purchasing the building.

Sonya Worner wanted to know if we had access to the evaluation of the building that was done when the Wayzata School District sold the building. Bob mentioned that we do not have this evaluation, but it would be worth looking into if we have a desire to purchase the building. Bob wanted to clear up any prior miscommunication and make it very clear that there is no current evidence that shows asbestos in the building. There was a test done in 1989 that showed asbestos and that was cleared up by 1999, the building owner has provided documentation to Beacon.

Option 3-Identify New Site for building or long term lease

The third option for the board to consider is to look for a new site for building or long term lease. We are looking into all options and will take suggestions from parents.

Long range assumptions

The bond rate is no better today than it was a couple weeks ago. We are currently looking into about 5 different funding options. We are researching real estate options. If the property we currently have the purchase agreement for ends up being too expensive, we want to have other options. We are also researching foundations, using reserve funds as collateral, reducing building rates by \$20/square foot, bride loans, private investors, and land purchased by 2nd party and leased back to Friends of Beacon.

2009-2010

Right now we can only lease at the current building for next year if we have a purchase agreement in place. Other options for next year include: Osseo Elementary School, Elliot Elementary School (St. Louis Park), an alternative site in Maple Grove available for lease, and other buildings that may become available because of changes in neighborhood districts.

2008-2009

We do not have a signed lease yet. The portables will hopefully be installed by December 10th and classrooms will be out there starting in January. If we don't get a lease signed, Jordan is not sure that we should even continue to go forward with the portables.

Maple Grove Option

There is a Maple Grove option that is located just north of the current proposed site. This building has 15-20 classrooms with office spaces, ample places for parking, and a gym that is separate from an eating area. According to Jordan, they are very willing to work with us to work out kinks. The bus routes wouldn't change much if we started at this site and then decided

to build on the permanent site. We could move into this building as soon as they receive city approval, which could be as early as 7 weeks from now if we need it, and has lease space available for as long as we need it. This location has also indicated they would be willing to have a renewable lease option.

Elliot School

-This is an old school located in St. Louis Park off of Louisiana and Cedar Lake Road. It was built in 1922 and there was an addition in 1952. It has 22 classrooms. This building is now for sale for 3.5 million dollars and is also up for lease and could be available for next year. This building is 74,000 square feet and is on 4.16 acres. Our lease aide would not be able to cover this entire building if we chose to lease, and if we bought the building, there would be other costs.

Paul Larson said that we need to be open with Clint about our current plans. If we don't want to be here next year, we need to tell him that and move on. Clint has already been told that this was our last year in this building and that we are looking into other options for next year.

Jordan said that we need to get this year's lease signed, we need to figure out if we can stay here next year for a temporary situation, we need to look at the 2 sites that were proposed, and look into other potential sites before next week's board meeting. Long range planning brought a recommendation to the board that this site was not suitable for Beacon Academy's long range planning. Ann Marie mentioned that Beacon Academy wants to have 625 students in the future and this site is not conducive to this. She therefore believes that Option 2 is not an option. Janet mentioned that the original charter of the school said that the school was going to have 2 sections per grade to maintain a small school environment. Bob stated the school would not have to remain at 2 sections per grade. Ann Marie said that a small school community can also mean small classes and that is something that we are still planning on maintaining. In order to buy an existing building or build a building we can get more bonds with increased enrollment.

We need to figure out next year's plans and set a date as to when we are going to make final decisions. A question was raised if decisions must be made before the lottery-this is not mandatory but the board felt the target date needed to be before the lottery deadline. There is an open house next Thursday, so any additional information would be helpful. It is Scott's opinion that we need to enter into a lease for next year and does not recommend that we buy a building at this time. Cathy agrees that we cannot make a permanent decision under pressure. Terese reminded us of our core values of children come first and fiscal responsibility.

We need to decide if we should still advise Friends of Beacon to peruse the land that we have a purchase agreement for. Kalin stated her preference was a building that was customized to exactly meet the needs of our students. Bob agrees that all options lead to leasing next year whether or not we are building a new school.

There is a meeting with Clint on Friday to discuss the lease for the 2008-2009 school year, so we will then know what options we have with the current site. If needed, we will form sub-committees to start researching these options.

Sean put forward the following thoughts that if we do inhabit another building, we may have many of the same concerns that we have in this current building. The Elliot Building is an older

building as well as may have similar problems to what we are currently facing. Right now we don't know if we can afford to build and we need to consider other lease options.

Tam states that we need to focus on a lease for this school year, we need to decide what we are going to do next school year, and we need to do more research on the proposed sites. Sean also mentioned that the staff should be surveyed as to what they think. Jordan will send a request to staff to send feedback about the building situation. Bob said that we should not give Quantum Development any more idea of our future plans until this year's lease is signed. Tam is hopeful that by our next board meeting (12/10) that we will have a 2008-2009 lease to look at and then we can start to finalize plans for the 2009-2010.

Motion:	To adjourn the meeting.		
Made by:	Terese	Seconded by:	Scott
Discussion:			
Vote:	Yea: all	Nay:	Abstain:
Decision:	Motion passes.		
	Bob wants to make sure that all board members understand the magnitude of this decision and wants everyone to spend a significant amount of time thinking about it this week.		

Meeting adjourned at 7:51 p.m.

APPROVED