

## ***Farmington Area Public Schools, ISD 192***

# **Instructional Service Center (ISC) Improvement Project**

### **What is the ISC used for? Why is it needed?**

The Instructional Service Center (510 Walnut Street, Farmington, MN) is a community hub that houses many programs for youth and adults alike. This includes but is not limited to special education programs, high school gymnastics, youth enrichment classes, preschool classes, early childhood education and adult basic education.

### **What is the ISC Improvement Project and why is it needed?**

As with all buildings, regular maintenance is required to keep the space functional. It was determined multiple times over recent years to keep up this building. The board voted to both put on a new roof and to complete exterior maintenance on the building in the last three years. This is the next step in ongoing upkeep.

### **What if the ISC Improvement Project is not completed?**

If this space was not available to the school district it would be necessary to construct a new building or attempt to locate a site to lease that would have similar amenities. Based on the current usage, there is not enough space in other school buildings to hold the various ISC programs. A new building of similar size is estimated to cost approximately \$30 million.

### **What is included in the ISC Improvement Project?**

- The project provides significant mechanical upgrades to an indispensable building in our fleet.
- The project provides a minimum facelift to the interior of a building that is often the first experience a family has in our school district.

### **How will the ISC Improvement Project be paid for?**

The project is paid for through the regular funding stream, the Long-term Facilities Maintenance (LTFM) Levy, of which the State currently pays 53%.

### **About the LTFM Levy**

- This is a regular funding stream which provides school districts with additional resources to be used only for those things authorized in state statute. This levy was created by the State to address common funding shortfalls in school facilities maintenance.
- The State pays for 53% of the revenue received from the 2019-2020 LTFM revenue stream. This puts the least burden on the local taxpayer of all the currently available funding options.
- Maximizing the LTFM levy means that ISD 192 will not need to ask taxpayers for additional bond dollars to address facilities maintenance as often as it would otherwise; when they do ask, it will be for smaller amounts since there is a structured funding stream to address the ever present needs of maintaining facilities while lessening the impact on the taxpayer.

### **What is the tax impact of maximizing the LTFM Levy?**

- **The estimated tax impact on a \$250,000 home is \$14/year.\***

\*This assumes other factors impacting tax rates remain constant.

Updated April 8, 2019

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- Please see the attachment for additional tax information.

<b>LTFM Revenue Increase</b>	<b>\$450,000</b>
Estimated Aid Share	\$240,100
Estimated Levy Share	\$209,900

Type of Property	Estimated Market Value	Estimated Annual Tax Impact Taxes Payable in 2020
Residential Homestead	\$75,000	\$3
	100,000	4
	125,000	6
	150,000	8
	175,000	9
	200,000	11
	250,000	14
	300,000	17
	350,000	21
	400,000	24
Commercial/ Industrial +	500,000	30
	750,000	49
	\$50,000	\$3
	100,000	6
Agricultural Homestead (average value per acre of land & buildings)	250,000	16
	500,000	35
	1,000,000	73
	\$4,000	\$0.12
	5,000	0.15
Agricultural Non-Homestead (average value per acre of land & buildings)	6,000	0.18
	7,000	0.21
	8,000	0.24
	\$4,000	\$0.24
	5,000	0.30
	6,000	0.36
	7,000	0.42
	8,000	0.48

\* For commercial-industrial property, the estimates above are for property in the City of Farmington. The tax impact for commercial-industrial property in other municipalities in the school district may be slightly different, due to the varying impact of the Twin Cities Fiscal Disparities program.

