

Property Tax Measure Review



**Tax Supervising
and Conservation
Commission**

District	Corbett School District
Ballot Measure	BM 26-220: Bonds to Construct, Renovate, and Improve District Facilities
Election	November 3, 2020
Financial Details	<ul style="list-style-type: none"> \$4 million in Bonds with an estimated tax rate of \$1.02 per \$1,000 of Assessed Value and a maximum 11 year term District will qualify for a \$3.9 million state grant if measure passes
Hearing Date and Time	September 23, 2020 @ 6:00
Commissioner Discussion	September 15, 2020 @ 2:00
Date Review Prepared	September 8, 2020

Background

The Corbett School District is located in east Multnomah County. The district boundary begins just east of Troutdale and continues to the east county line. It stretches from the Columbia River on the north to the county line on the south.



If approved, this bond measure will provide funding to upgrade district facilities. The district owns eight buildings, listed in the chart to the right. Seven of the buildings are located on the district campus that is, itself, the core of the unincorporated Corbett area. As the chart to the right shows, the oldest district building dates back to 1923 and it is still in use.

School	Original Build Date
01-Corbett Elementary School	1992
02-Corbett High School	1977
03-Multi-Purpose	1970
04-Corbett Middle School	1923
05-Athletic Center / Gymnasium	1954
06-District Office	NA
07-Bus Barn	Unknown
08-Springdale School	1931

The district has conducted formal evaluations of all of its buildings at least twice since 2013. Based on information in the early studies, the district tried four times between 2013 and 2016 to pass bond measures to improve its facilities. Voters rejected all four efforts. Positive vote percentages ranged from 38% to 47% for those elections and the amounts requested ranged from \$8.5 to \$15 million. There was no correlation between size of the bond and the outcome of the vote.

Similarly, in 2009 and 2010 the district's attempts to pass local option levies to increase operational funding failed, each garnering fewer than 35% yes votes.



The most recent Facilities Study¹ summarized district facilities as follows:

The Corbett School District has buildings built between 1923 and 1991. The Multi-Purpose, Gymnasium and Middle School buildings have had significant additions and remodels. All of the buildings except the Grade School have poor HVAC systems, fresh air needs, ADA problems and security weaknesses. The Department of Geology and Mineral Industries (DOGAMI) rapid visual screening (RVS) study is problematic. DOGAMI only evaluated the Grade School which is the newest building on site. Soderstrom hired Catena Engineers to perform a rapid visual screening (RVS) of the Multi-Purpose, Gymnasium and the High School building. All three buildings were not compliant with the ASCE 41 Tier 1 requirements for life safety. Since that point in time the Gymnasium won an SRGP seismic grant and work is completed on the seismic strengthening of that building.

As part of our assessment we looked at educational adequacy of the facilities. The Corbett school buildings, except for the grade school, are not in very good condition from an envelope perspective. Many interior finishes are worn and tired. Daylighting improvements and upgrades to the heating, ventilation and air conditioning (HVAC) would improve educational adequacy. Things that are triggered by educational adequacy include adequate classroom space, sufficient gym space, commons and cafeteria space, and quality student study space.

The least adequate teaching spaces in the District are the oldest classroom wings at the High School. These wings have poor daylighting and the corridors are narrow, with low ceilings and poor lighting. Classrooms in these areas are also quite small (550SF).

See Attachment B for a detailed list of what appears to be anecdotal condition reports from this report.

Purpose

The purpose of this bond measure is to generate funds to allow the district to qualify for a matching state grant of \$3.9 million. Together, this \$7.9 million funding will be used to finance or refinance site improvements, facility improvements and repairs, and facility furnishings and bond issuance costs.

Property Tax Impact

The district’s bond underwriter provided structuring scenarios for ten- and twenty-year bond terms. The school board selected the 10-year term for these bonds. It provided a significant interest cost savings.

CORBETT SCHOOL DISTRICT NO. 39					
General Obligation Bonds, Series 2021 – Summary of Structuring Scenarios					
Structure		10 Year Repayment		20 Year Repayment	
Par Amount		\$4,000,000		\$4,000,000	
Dated Date		2/15/2021		2/15/2021	
Final Maturity		6/15/2031		6/15/2041	
Amortization Period		10.33 Years		20.33 Years	
Projected Average Levy Rates*					
	Prior Debt	New Bonds	Combined	New Bonds	Combined
2020-2021.....	\$ -	\$ -	\$ -	\$ -	\$ -
2022-2031.....	-	1.02	1.02	0.55	0.55
2032-2041.....	-	-	-	0.55	0.55
Interest Estimates					
Cushion over Current Interest Rates		+ 1.50%		+ 1.50%	
True Interest Cost (TIC)**		3.00%		3.83%	
Total Interest		\$775,000		\$2,101,717	
Total Interest as % of Par		19%		53%	

¹ Soderstrom Architects, May 29, 2019. Copy available here: http://www.tscmultco.com/corbetsd_lrfp_report/

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The bond underwriter estimates that a 10-year term bond issue will require a tax rate of \$1.02 per \$1,000 of Assessed Value. The district's current and only tax rate is its \$4.5941 permanent levy.

Combined tax rates in the district range from \$11.3169 to \$14.1696. These are some of the lowest in the county because they do not include a city tax. Some of these areas do not even have levies for water or fire service.

Corbett School District			
Sample Property Tax Levy Code Areas And Rates 2019-20			
Taxing Districts	Levy Code Areas and Rates		
	073	074	458
Multnomah County	5.6034	5.6034	5.6034
East County Soil & Water Conserv District	0.1000	0.1000	0.1000
Port of Portland	0.0701	0.0701	0.0701
Corbett School District	4.5941	4.5941	4.5941
Mt. Hood Community College	0.4917	0.4917	0.4917
Multnomah Education Service District	0.4576	0.4576	0.4576
Corbett Fire District	0.0000	1.2624	0.0000
County Fire Protection District 10	0.0000	0.0000	2.8527
Corbett Water District	0.0000	0.5781	0.0000
Total Tax Rate for Levy Code Area	11.3169	13.1574	14.1696

Passage of the measure would result in a property tax increase of \$102 annually on each \$100,000 of assessed value of real property in the district.

The following chart, also provided by the bond underwriter, compares the district's existing tax rate with those of neighboring school districts. Corbett has the lowest total district rate of all of them.

District	Extended ADMw (6-26-19)	Assessed Value (Net of Urban Renewal)	2020 Levy Rates			
			Permanent Rate	Local		Total District Rate
				Option Rate	Bond Rate	
Portland SD 1J	57,778.55	53,703,208,551	5.2781	1.9900	2.4053	9.6734
West Linn-Wilsonville SD 3J	11,298.24	8,034,435,682	4.8684	1.5000	2.9621	9.3305
Gladstone SD 115	2,339.35	910,373,258	4.8650	-	4.4336	9.2986
North Clackamas SD 12	20,546.25	14,743,997,083	4.8701	1.6300	2.3786	8.8787
Lake Oswego SD 7J	7,796.31	8,355,876,266	4.4707	1.6400	2.0329	8.1436
Hood River County SD	4,988.71	2,564,576,284	4.8119	1.2000	1.6174	7.6293
Riverdale SD 51J	726.25	736,068,745	3.8149	1.3700	2.2672	7.4521
Gresham-Barlow SD 10J	14,210.78	6,878,382,221	4.5268	-	2.8721	7.3989
Oregon Trail SD 46	5,142.72	3,524,919,067	4.6397	-	2.1560	6.7957
Canby SD 86	5,635.85	3,421,690,339	4.5765	-	1.7932	6.3697
Oregon City SD 62	9,304.40	5,846,243,725	4.9629	-	1.2316	6.1945
David Douglas SD 40	12,736.10	3,471,133,112	4.6394	-	1.5114	6.1508
Centennial SD 28J	7,942.51	2,939,198,302	4.7448	-	1.1873	5.9321
Parkrose SD 3	3,902.83	4,492,369,906	4.8906	-	0.9161	5.8067
Reynolds SD 7	14,397.93	6,323,210,341	4.4626	-	1.2725	5.7351
Estacada SD 108	3,409.42	1,661,029,438	4.1476	-	1.4560	5.6036
Colton SD 53	795.61	411,178,335	4.9801	-	0.3513	5.3314
Molalla River SD 35	3,220.83	1,937,871,437	4.7001	-	-	4.7001
Corbett SD 39	1,373.35	414,695,400	4.5941	-	-	4.5941



Use and Allocation of the Funds

The ballot title does not convey exactly how the bond proceeds will be used. It says that the funds will be used for the following purposes, but lacks details on projects and funding allocations.

- Improvements, renovation, and/or construction of facilities for grade and middle schools, high school and District offices and facilities, including high school remodel for additional office space and grade school roof repairs
- Furnishing, equipping and improvements to facilities, including for CTE, Title IX and ADA
- Site improvements, refinance loan for land acquisition and improvements, demolition, bond issuance costs.

To a degree this brevity is understandable given the word limit for this section of the state-mandated format. But when asked, district staff told TSCC that a project list or budget had not yet been prepared.

In its report (cited above), the architectural firm that performed the facilities study last year stated, "With the exception of the middle school, all of the District buildings can be renovated and used."

The firm's report is detailed. It thoroughly discusses the facility functional and condition issues that should be addressed. It presents the kinds of improvements the facilities need. But a project list and project budgets appear to have been beyond the scope of its work. The report concludes with these statements.

Description of Potential Scenarios for a Ten-year Plan
581-027-0040 (E)

Ten Year Plan
The State requires a description of a plan the District will undertake to bring its facilities to match the growth projections and needs of the District for the next ten years. Since the District is not experiencing demographic growth the scenarios developed only address educational adequacy and physical upgrades. We recommend that the Corbett School District replace the Middle School Building with a new state of the art educational facility.

Timing of the work
All of the work should be done as quickly as possible. Since the inflation rate for construction is very high, the sooner the District can get the projects under construction, the less the projects will cost.

Summary

The Corbett School District has been painfully aware of its facilities' deficiencies, especially the condition of the 1923 Middle School, for at least the last decade. It tried to fund the needed rehabilitation by proposing four bond measures of various sizes between 2013 and 2016. All four measures failed and the district took a hiatus on the effort. This year, after qualifying for a \$3.9 million state facilities grant, the district has taken up the issue again and is submitting this \$4 million ballot measure for the November ballot.

This \$4 million measure is much smaller than the four previous bond measures (\$15 million, \$11.9 million, \$9.4 million, and \$8.5 million).

The district has had multiple professional evaluations of its facilities over the last ten years. The district knows the building defects, vulnerabilities, and future needs. However, its bond measure and related documents do not provide a project list or project budgets.



Request for Ballot Title

Preparation or Publication of Notice

SEL 805

rev 01/18
OAR 865-014-0005

No later than the 80th day before an election, a governing body that has referred a measure must prepare and file with the local elections official the text of the referral for ballot title preparation or the ballot title for publication of notice of receipt of ballot title. This form may be used to file the text of the referral and request the elections official begin the ballot title drafting process or file a ballot title and request the elections official publish notice of receipt of ballot title.

Filing Information	
Election Date November 3, 2020	Authorized Official Robin Lindeen-Blakeley, Deputy Clerk
Contact Phone 503-261-4211	Email Address rlindeen@corbett.k12.or.us
Referral Information	
Title, Number or other Identifier CORBETT SCHOOL DISTRICT NO. 39	
This Filing is For	
<input type="checkbox"/> Drafting of Ballot Title Attach referral text. <input checked="" type="checkbox"/> Publication of Notice Ballot title below.	
Ballot Title Additional requirements may apply	
Caption 10 words which reasonably identifies the subject of the measure. Bonds to Construct, Renovate, and Improve District Facilities	
Question 20 words which plainly phrases the chief purpose of the measure. Shall Corbett School District issue \$4,000,000 in bonds and receive State grant to construct and renovate schools? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.	
Summary 175 words which concisely and impartially summarizes the measure and its major effect. District will receive \$3,878,367 state grant only if bonds are approved and is on waiting list to receive additional \$121,633 if voters approve bonds, funds are available and another district's measure fails to pass. If bonds are not approved grant will be diverted to another district. Bond and grant funds are expected to finance or refinance the following capital costs: <ul style="list-style-type: none"> • Improvements, renovation and/or construction of facilities for grade and middle schools, high school and District offices and facilities, including high school remodel for additional office space and grade school roof repairs • Furnishing, equipping and improvements to facilities, including for CTE, Title IX and ADA • Site improvements, refinance loan for land acquisition and improvements, demolition, bond issuance costs. District would establish citizen oversight committee to ensure proceeds are used for purposes indicated. Bonds would mature in not to exceed 11 years from issuance and may be issued in series. The estimated tax rate is \$1.02 per \$1,000 of assessed property value. Actual levy rate may differ due to changes in interest rates and assessed value.	
By signing this document: → I hereby state that I am authorized by the county or city governing body, or district elections authority to submit this Request for Ballot Title – Preparation or Publication of Notice.	

REGISTERED
 20 AUG 19 PM 4:40
 CLERK OF DISTRICT COURT
 CLATSOP COUNTY, OREGON

R. Lindeen-Blakeley
 Signature

8-13-20
 Date Signed

EXHIBIT A

BALLOT TITLE

**CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON**

CAPTION: (10 WORD LIMIT)

Bonds to Construct, Renovate, and Improve District Facilities

QUESTION: (20 WORD LIMIT)

Shall Corbett School District issue \$4,000,000 in bonds and receive State grant to construct and renovate schools? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY: (175 WORD LIMIT)

District will receive \$3,878,367 state grant only if bonds are approved and is on waiting list to receive additional \$121,633 if voters approve bonds, funds are available and another district's measure fails to pass. If bonds are not approved grant will be diverted to another district. Bond and grant funds are expected to finance or refinance the following capital costs:

- Improvements, renovation and/or construction of facilities for grade and middle schools, high school and District offices and facilities, including high school remodel for additional office space and grade school roof repairs
- Furnishing, equipping and improvements to facilities, including for CTE, Title IX and ADA
- Site improvements, refinance loan for land acquisition and improvements, demolition, bond issuance costs.

District would establish citizen oversight committee to ensure proceeds are used for purposes indicated.

Bonds would mature in not to exceed 11 years from issuance and may be issued in series. The estimated tax rate is \$1.02 per \$1,000 of assessed property value. Actual levy rate may differ due to changes in interest rates and assessed value.

Attachment B: Deficiencies List

Soderstrom Architects

Meeting Minutes

PROJECT	Corbett School District – Long Range Plan		
MEETING DATE	5/2/2019	MEETING TIME	4:00
MEETING LOCATION	Corbett		
OWNER PROJECT NO.		SODERSTROM PROJECT NO.	18049
ATTENDEES	PRESENT	NAME	EMAIL
Attached			
SUBMITTED BY			

NOTE: The below minutes are an accurate representation of what was discussed at this meeting to the best of the preparer's recollection. Please submit any amendments to these minutes within three (3) days of receipt. These minutes reflect for each item the date, action and description for the day it was originally generated, recent UPDATES, plus the previous meeting's UPDATE. Revisions by participants should be communicated to Soderstrom Architects.

DISCUSSION

1. Campus

- a. Overall safety/security issues.
 - i. Too many points of entry.
 - ii. Metal siding rattles in wind.
 - iii. Lack of sheltered walkways between buildings.
 - iv. Additional gym space needed to meet state physical education requirements.
 - v. Lack of campus-wide intercom.

2. Middle School

- a. Overall Building
 - i. Seismically deficient.
 - ii. Heating inconsistent.
 - iii. No air conditioning.
 - iv. Minimal insulation.
 - v. Hazardous materials.
 - vi. Minimal ADA compliance.
 - vii. Floors unlevel.
 - viii. Windows & exterior walls rattle in wind.
 - ix. Several windows do not operate.

Attachment B: Deficiencies List

Meeting Minutes	Corbett SD LRP
2019	December 17,
	18049
<ul style="list-style-type: none">x. Hallways too narrow for quantity of students.xi. Not enough toilets and lavatories.xii. No student break-out spaces.xiii. Not enough storage.xiv. Classrooms not large enough.xv. No easy entrance for parents.xvi. No staff area.xvii. General lack of security.	
b. Classrooms	
<ul style="list-style-type: none">i. Not large enough.ii. No second exit from rooms.	
3. High School	
a. Overall Building	
<ul style="list-style-type: none">i. Poor Daylightingii. Not enough toilets and lavatories.iii. Acoustical deficiencies at classrooms walls.iv. Lack of lighting controls.v. Inconsistent HVAC controls & equipment.vi. Lack of space for performing arts.vii. No staff areas for meetings, storage, and class preparation.viii. Science rooms need new chemical-resistant countertops.ix. No science prep areas.x. Hazardous materials.	
4. Grade School	
a. Overall Building	
<ul style="list-style-type: none">i. Roof is reaching the end of its functional life.ii. Boiler is reaching the end of its functional life.iii. Interior finishes refresh is desired.iv. No covered play area.v. Inconsistent heating.vi. Faucets at lavatories not functioning consistently.vii. Door at east entry slams during windy conditions.viii. No sink or toilet in preschool.ix. Additional Staff Toilet desired.x. Analyze library function.	
b. Classrooms	
<ul style="list-style-type: none">i. No second exists from rooms.ii. Lack of lighting controls.iii. Not enough outlets.iv. Doors do not lock from the inside.	



Attachment B: Deficiencies List

Meeting Minutes	Corbett SD LRP
2019	December 17,
	18049
5. Multi-Purpose	
a. Overall Building	
i. Cooler and Freezer are reaching the end of their functional life. Adjacent walls have dry rot.	
ii. Kitchen overheats.	
iii. Not enough toilets and lavatories.	
iv. 8 meals and snacks are served per day.	
v. Additional performance spaces needed.	
vi. Additional practice space needed.	
vii. Tectum ceiling panels are stained and deteriorating.	
6. Gym	
a. Overall Building	
i. Title IX issues.	
1. Boys and Girls locker rooms, toilets, and team rooms are unequal.	
ii. Locker rooms are not Accessible.	
iii. Not enough toilets and lavatories.	
iv. Insufficient hot water.	
v. Coach's toilet has not flushed in 17 years.	
vi. HVAC deficiencies.	
1. Too hot.	
2. No air movement.	
vii. Science classroom is seriously outdated.	
NEXT MEETING:	
Date:	
Time:	
Location:	