

# Mt. Hood Community College

## Tax Measure Review - Measure 26-258

May 20, 2025 Election

### OVERVIEW

<b>Type of Measure</b>	General Obligation Bond
<b>Ballot Title</b>	Bonds updating career education, increasing safety, security; repairing aging facilities.
<b>Estimated \$ Raised</b>	The measure authorizes \$136,445,000 in general obligation bonds.
<b>Tax Impact</b>	The average estimated tax rate is 0.25 cents per \$1,000 of assessed property value. Bonds may be issued in multiple series, maturing 21 years from issuance.
<b>Purpose</b>	Update vocational facilities; improve accessibility, safety, security; repair buildings
<b>Hearing Date/Time</b>	April 23, 2025 @ 6:30 pm

### What is a General Obligation Bond?

Many local governments have broad authority to take on debt to finance government operations. One of the most popular forms of debt is General Obligation Bonds.

The Oregon Constitution provides most local governments with the authority to ask voters to approve General Obligation Bonds by putting a measure on the ballot. If the measure is approved, the district can levy property taxes in an annual amount sufficient to pay for the principal and interest (debt service) on the bonds.

Uses of bond proceeds are restricted by both Measure 5 (1990) and Measure 50 (1997). Under Measure 5, if the use does not meet the constitutional requirements the property tax levy could lose its exclusion from Measure 5's limitations. Measure 50 further restricted the uses to include only "capital construction and improvements". Statutory language defines capital construction and improvements to include "public safety and law enforcement vehicles" but exclude "maintenance and repairs, the need for which could be reasonably anticipated" or "supplies and equipment that are not intrinsic to the structure". MHCC staff has been working with bond counsel to ensure the ballot measure as written falls under capital construction and improvement definitions.

## MEASURE SUMMARY

Mt. Hood Community College (MHCC) is seeking voter approval for authorization to borrow \$136.5 million in general obligation bonds and to pay the debt service by levying annual property taxes.

### Summary from Request for Ballot Title (provided by district)

#### **SUMMARY:**

Mt. Hood Community College seeks approval for bonds in a maximum principal amount of \$136.445 million to finance capital costs, including:

#### **Expanding Career Education Facilities & Meeting Growing Demand**

- Repurpose existing space to create Center for Health Professions training health care professionals such as nurses, surgical technicians, respiratory therapists, and mental health counselors.
- Renovate classroom technology to serve online and hybrid learning.

#### **Improving Community Access**

- Community pool improvements, including a retractable pool cover for year-round use, increasing opportunities for community use such as swim lessons and local events.
- **Increased accessibility.**

#### **Securing Campus**

- **Enhancing safety** with improved lockdown capabilities, fire, seismic retrofits.

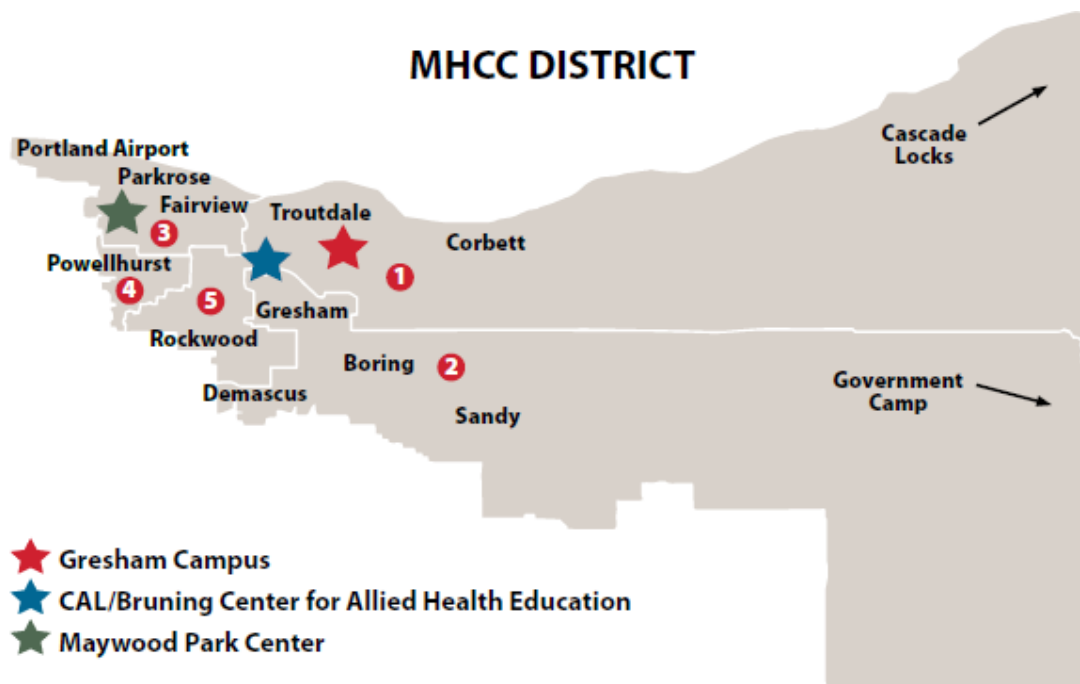
#### **Repairing Aging Facilities**

- **Updating aging systems** in 1970's era buildings, including roofs, siding, flooring, HVAC and electrical.
- Site improvements, demolition, furnishings, equipment, issuance costs.
- **State expected to provide \$8 million in matching funds.**

Bonds may be issued in multiple series, maturing within 21 years from issuance. Levy rate estimated at \$0.25 per \$1,000 assessed value. Actual levy rates may differ due to changes in interest rates at issuance or assessed property value.

## BACKGROUND

Mt. Hood Community College (MHCC) serves a population of more than 300,000 within an area of 950 square miles. The college opened in 1966 and is governed by an elected board of directors who appoint a president to oversee the school’s operations. MHCC offers over 120 professional and technical programs. The college anticipates enrollment of 6,461 full time equivalent students in FY 2024-25. Boundaries encompass all of Multnomah County east of the Portland School District, the northwest portion of Clackamas County, and a small portion of Hood River County (Cascade Locks). A 120-acre college campus is located in southeast Gresham. The district also offers instructional programs at The Bruning Center for Allied Health Education in northwest Gresham, at its Maywood Campus in the City of Maywood Park, and at various schools and other locations throughout the district.

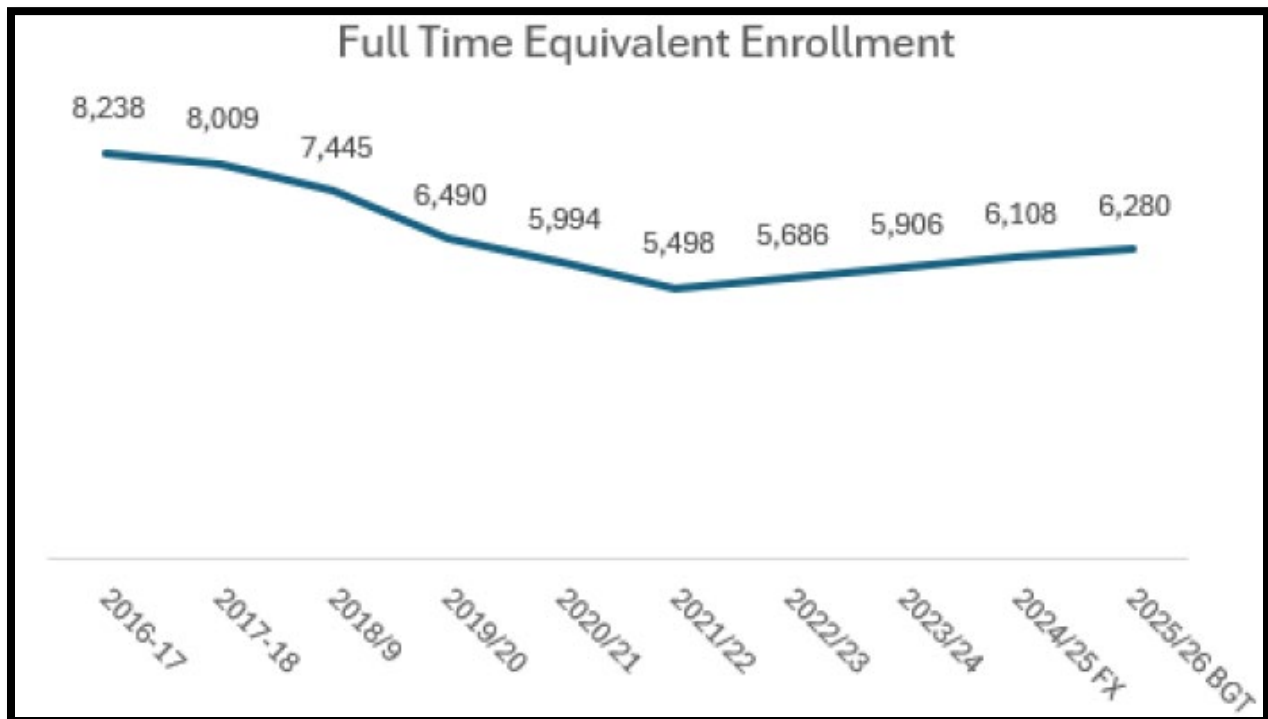


Mt. Hood Community College	2021-22	2022-23	2023-24	2024-25
Assessed Value in Billions	\$30.455	\$31.727	\$32.669	\$34.555
Real Market Value (M-5) in Billions	\$55.387	\$62.125	\$67.063	\$67.593
Property Tax Rate Extended:				
Operations	\$0.4917	\$0.4917	\$0.4917	\$0.4917
Measure 5 Impact	\$-171,194	\$-169,307	\$-167,491	\$-182,907
Number of Employees (FTE's)	924	931	1,019	1,070
Tuition Per Credit Hour	\$118.00	\$120.00	\$122.00	\$124.00

MHCC has a permanent rate of \$0.4917 per \$1,000 of assessed value. They currently have no general obligation debt.

## Enrollment

Pre- and post-pandemic the College saw several years of declining enrollment. Enrollment stabilized in FY 21-22 and has been on an upward trajectory since then. The College is estimating another increase in enrollment in the coming year, consistent with the last few years. The graph below is from the MHCC Proposed FY 25-26 budget.



## Capital Budget

In FY 24-25, the college budgeted \$32.9 million for capital outlay across a number of funds. Two of the largest projects were for remodeling and renovating the Head Start modular spaces and improvements to the Aquatic Center. Some projects included in the budget were contingent on the GO bond measure passing (originally scheduled to go to voters in November 2024). The FY 24-25 budget assumed \$6 million in bond revenue that will not occur since the ballot measure was moved to May. A recently completed large scale capital project is the Dental Hygiene lab remodel, a project budgeted at \$5.2 million and completed in FY 23-24.

The college has pieced together funds from state, federal, and local sources to fund needed capital repairs. Per the College, they have buildings that are more than 50 years old that need repairs to allow them to continue providing job training programs for the region.

## History of Recent MHCC Bond Measures

- May 2017 - \$75 million - Failed, 45% yes, 55% no
- May 2016 - \$125 million - Failed, 45% yes, 55% no
- November 2006 - \$58.8 million - Failed, 46% yes, 54% no
- November 2002 - \$68.4 million - Failed, 42% yes, 58% no
- May 2002 - \$68.4 million - Failed because turnout of registered voters was less than 50% at an election requiring a double majority

Per the district, the last time they successfully passed a bond measure was in 1974.

## MEASURE ANALYSIS

The proposed levy is for \$136.5 million and MHCC estimates the tax rate will be \$0.25 cents per \$1,000. Bonds may be issued in multiple series and mature in 21 years or less. MHCC is anticipating receiving at least \$8 million in matching funds from the State. Those funds are contingent upon the passage of the bond.

## Use of funds

The College has a detailed project list with specific examples of projects in the general areas described below (see Appendix). That list is a draft and may change, but the project areas addressed will remain aligned with what is approved by voters. At a higher level, MHCC summaries planned projects as follows (from [MHCC website](#)):

### *Prepare Students for Critical Workforce Needs:*

- Establish a Center for Health Professions to address job shortages in healthcare fields.
- Modernize science labs and enhance cross-disciplinary training.
- Provide up-to-date technology and equipment for job-specific training within the region.

### *Protect and Modernize Community Assets:*

- Renovate outdated classrooms and learning spaces.
- Replace inefficient heating and cooling systems.
- Upgrade computer labs, networks, and hybrid learning technology.
- Improve campus safety with seismic retrofitting, fire safety and lockdown upgrades.



*Expand Access Across the District—Government Camp, Sandy, Corbett, Gresham, Fairview, Wood Village, Troutdale and East Portland:*

- Enhance the college’s role as an emergency hub for natural disasters.
- Serve online and hybrid learners with improved technology.
- Upgrade facilities for accessibility, including elevators and restrooms.
- Improve important community amenities like the pool, adding a year-round cover for greater usability.

If the bond does not pass, the proposed projects would not occur unless the district were to identify other funding sources.

## **Timeline**

The district would plan to start projects in FY 25-26 if the bond is successfully. Staff have several ready-to-go projects planned for the first year of the bond.

## **Oversight**

The measure summary states that the MHCC Board of Education will oversee the bond’s implementation and “an independent oversight committee will provide additional accountability and transparency.”

## **Property Tax Impact**

A home with an assessed value of \$275,000 would pay an estimated \$69 annually for the bond. General Obligation Bonds are outside of property tax limitations (commonly known as “compression”) and so all properties in the MHCC taxing boundaries would pay the bond rate.

## APPENDIX – DRAFT Bond Project List (subject to change, provided by MHCC)

PROJECT AREAS		COST	DESCRIPTION	WHY
<b>Safety and Security Improvements</b>				
* From Sep 2014 Catalyst Consultants Professional Survey		\$15,400,000	Brings college to current day needs regarding security and emergency response to provide safety to students, faculty, and visitors. Current conditions include: limited camera coverage, no lockdown, limited card reader access, limited announcing abilities during an emergency on Gresham campus, no announcing abilities at Maywood or Bruning, separate systems, and lockdowns require staff to manually lock doors with a key or flip lock in an emergency. Includes Wayfinding and locating	Safety and security updates are needed to improve emergency communication and notification systems as well as technology that will allow the college to lock-down buildings in case of an active shooter or other imminent danger to students and staff.
Includes:	Hardening and modernization of Public Safety Dispatch			
	Electronic mass notification system			
	Expanding Gresham Campus fire alarm notification			
	Maywood and Bruning mass notification systems			
	Electronic lockdown for Gresham, Maywood, Bruning			
	Select street entrance card access gates			
	Electronic card access system, tied into alarm system			
	Improved video surveillance tied into alarm/access systems			
	Emergency communications towers			
	Subtotal	\$15,400,000		
<b>Seismic Retrofit Projects</b>				
* From Nov 2014 EMG Facilities Condition Assessment		\$16,300,000	Provides for replacement and improvements of areas that were called out on consultants report for vulnerability during an earthquake. Projects include the Academic Center Library sheer wall (largest) and Gymnasium and support building improvements	Improves seismic stability in the case of an earthquake, bringing buildings up to modern code standards.
Includes:	Seismic improvements to Academic Center Library (Bldg. 13)			
	Seismic improvements to Gymnasium (Red Cross Shelter)			
	Seismic improvements to Gymnasium Support Bldg.			
	* State grant dollars could reduce cost if awarded			
	Subtotal	\$16,300,000		
<b>Student Success</b>				
Includes:	Library study and support areas	\$10,433,280	Renovation of student study and interior spaces and exterior envelop with upgraded and replaced building systems. Improvement will support and enhance general	Renovate the library to improve the quality of education and access to resources, and provide an enhanced learning

			instruction, student collaboration, and library operation.	environment for students.
	Student activity nodes (student lounge, restrooms, access improvements)	\$6,485,606	The creation of the "Activity Nodes" will support both student academic and facility access needs. The Activity Nodes will contain student lounges and study rooms while providing secure access to restrooms and new or renovated elevators.	Provide students access to adequate and well-designed spaces to ensure the best possible learning environment for their academic and co-curricular experience by creating student activity centers, improving food options, and technology and creating welcoming and supportive environment for students.
	Improve campus welcoming feel	\$2,446,080	To enhance the campuses "Welcoming Feel" for students and visitors, improvements could include increasing the use of color and branding, activating the Underpasses with color, benches and lighting, adding color and wayfinding to stairwells and improving transparency into spaces with increase use of windows.	
	Food Service	\$2,952,768	Delivery of food services on campus is under review by MHCC Leadership. These proposed improvements include the modest renovation of Vista Dining and complete renovation of the North Caf�.	
	WiFi Expansion	\$900,000	IT driven project to expand limited WiFi in college buildings for prominent coverage to meet student, faculty, and visitor needs.	
	Student Club Improvements	\$1,921,920	To support student activities and involvement on campus, additional space is needed for Student Clubs in the Union. Space allocation and design will be inclusive and involve students at all phases.	
	Subtotal	\$25,139,654		

Health Professions Consolidation



	Health Professions Consolidation	\$9,548,448	Consolidation of Health Profession Programs with the creation of new Nursing and Multidiscipline Labs, and renovation of existing labs. Interior spaces and building systems will be upgraded to support lab needs.	Improve collaboration, training, and cross-disciplinary learning to improve holistic patient care by creating a multidisciplinary learning space for nursing, emergency medical technicians, and other health profession students.
<b>Science Lab and Classroom Modernization</b>				
	Science lab renovations	\$16,773,120	Complete renovation of existing labs and support spaces with upgraded and replaced building systems. Improvements will enhance science instruction, lab prep processes, and chemical storage and handling.	Upgrade classrooms and labs to ensure safety, provide technology to help students engage with subject matter, promote innovation, and support student completion as part of the skilled workforce.
	Classroom refresh (Facilities)	\$5,346,432	Updated interior finishes, instructional media, acoustic treatment, and furniture to support current and future teaching modalities. Classrooms will be sized and outfitted to support all ranges of instruction.	
	Classroom refresh (IT)	\$2,800,000	Technology improvements to support current and future teaching modalities.	
	Subtotal	\$24,919,552		
<b>Accessibility Improvements</b>				
	Elevators and Accessibility	\$1,200,000	16 restroom improvements and 3 elevators	Improve existing elevators and toilets on campus to ensure access to all on campus.
	Restroom improvements	\$5,960,909	Renovation of existing campus restrooms will include the creation of single use / family restrooms, and lactation rooms.	
	Subtotal	\$7,160,909		
<b>Title IX Athletic Improvements</b>				
	Athletic Facilities	\$6,499,584	Title IX improvements will include facility renovation of women's locker, team, and toilet rooms. Softball field improvement will include a new press box/ concessions	Update athletic facilities to ensure equal athletic opportunities based on gender and ensure compliance with federal law.

			/ toilets facility and upgraded dugouts.	
<b>Outdoor Pool Enclosure</b>				
	Aquatics outdoor pool cover installation	\$8,200,000	Support the architectural and site work necessary to install the DynaDome retractable building structure for covering the 50m outdoor pool. Will allow year around operations.	Install retractable cover on outdoor 50-meter pool to allow for year-round use by community and bring events to East County generating tourism revenue for the region. Project leverages state and local contributions.
<b>Asset Preservation</b>				
	Building Envelope (Enclosure, roofs, windows, doors)	\$6,623,130	Replaces exterior windows, roofs, and exterior wall improvements to maintain buildings dry, safe, and functional for operations.	Invests in needed long term repairs and improvements to buildings that were first built in the early 1970's, removing asbestos and other safety concerns and preserving the public infrastructure and ensuring its longevity, and generating cost savings through efficiencies.
	Building Services (Elevator, ADA, Plumbing, HVAC, Electrical)	\$2,538,210	Replaces aged or end of life equipment for elevators, plumbing, HVAC, Electrical, and ADA accessibility	
	Interior Finishes (casework, finishes, carpet, paint, ADA)	\$860,000	Replaces aged carpet, finishes, casework, and allow for painting and updating of college spaces	
	IT Infrastructure	\$80,000	Install cooling systems in IT network closets that have had expanded equipment added to the rooms to support student and college needs	
	Existing camera systems, removal of old structures	\$642,679	Includes replacement of current camera systems and software to align with IT roadmap. Also included is demolition of dilapidated Mod buildings near Head Start	
	Infrastructure (Parking lot, roads, sidewalks, utilities, elec)	\$9,382,834	Replacement of deteriorating parking lots and sidewalks per asset preservation plan, and will include utilities in	



			those areas as being replaced.
	Asbestos Abatement	\$250,000	Abate the remaining areas on campus that have asbestos, not covered under other projects listed
	Bond Project Office	\$900,000	
	1 Million gallon storage tank drain and fill	\$2,000,000	Follows consultant guidance from 2014 report to remove concrete, repair concrete supports, and fill with soil, restore courtyard concrete, to provide final resolution to deteriorating tank and provide structural and seismic support.
Subtotal		\$23,276,853	

Total 2024 GO Bond Recommendation	\$136,445,000
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