

# Portland Community College

## Tax Measure Review - Measure 26-224

November 8, 2022 Election



Tax Supervising  
and Conservation  
Commission

### OVERVIEW

<b>Type of Measure</b>	General Obligation Bond Levy
<b>Ballot Title</b>	Bonds to construct job training space, improve classrooms, safety, technology
<b>Tax Impact</b>	Estimated at \$0.38 per \$1,000
<b>Bond Issuance</b>	\$450,000,000
<b>Purpose</b>	To finance capital costs for classrooms, technology, facilities, and equipment
<b>Hearing Date and Time</b>	October 20, 2022 @ 3:00 pm

### MEASURE SUMMARY

Portland Community College is seeking voter approval for a general obligation bond levy of \$450 million. The bonds would mature in 16 years or less from date of issuance. The average tax rate is estimated to be \$0.38 per \$1,000.

#### Summary from Notice of Measure Election

Measure authorizes up to \$450 million in principal amount of general obligation bonds for facilities and equipment. Measure not expected to increase tax rates above previous targets, because outstanding debt is scheduled to decline:

If approved, this measure would finance capital costs, including:

- Updated classrooms, technology, facilities, equipment to provide students with modern higher education and job training spaces, including flexible hybrid learning options.
- Improved accessibility for people with disabilities.
- Increased facility lifespan and efficiency through ventilation system upgrades, plumbing, electrical.
- Improved campus safety, lighting, transit stops.
- Expanded career technical education facilities in Washington County.
- Rebuilt/modernized Rock Creek, Sylvania facilities/classrooms.
- Site improvements, demolition, furnishing, equipping, acquiring land, bond issuance costs.

Regular audits to ensure funds are used as intended. Bonds may be issued in one or more series, with each series maturing in 16 years or less. Bond cost estimated to maintain fiscal year 2022 rate of 38 cents per \$1,000 of assessed value. Actual rates may differ and depend on interest rates incurred and assessed value growth.

## BACKGROUND

Portland Community College (PCC) is one of the largest higher education institutions in the state, based on student enrollment headcount. The district has exchanged the top spot with Oregon State University over the years. The PCC district covers 1,500 square miles and serves a population of about 1.5 million people in over five counties: Multnomah, Washington, Clackamas, Columbia, and Yamhill. The college has four main campuses: Sylvania, Rock Creek, Cascade, and Southeast.

Portland Community College	2018-19	2019-20	2020-21	2021-22
Assessed Value in Billions	\$131.040	\$137.187	\$143.317	\$150.448
Real Market Value (M-5) in Billions	\$260.782	\$269.765	\$282.679	\$300.683
Property Tax Rate Extended:				
Operations	\$0.2828	\$0.2828	\$0.2828	\$0.2828
Debt Service	\$0.4046	\$0.4022	\$0.3970	\$0.3803
Total Property Tax Rate	\$0.6874	\$0.6850	\$0.6798	\$0.6631
Measure 5 Loss	\$-237,968	\$-235,437	\$-234,636	\$-333,971
Number of Employees (FTE's)	3,054	2,986	2,986	2,876

Enrollment for the full FY 21-22 college-wide was 18,867 student FTE. As with other educational institutions, enrollment has been in decline in recent years. For example, PCC's 2022 fall term enrollment declined by 7% from 2021.

College Summary					
Org Code	Organization	Fall 2021 FTE	Fall 2022 FTE	Number Change	Percent Change
A	<a href="#">Sylvania Campus</a>	2,246.5	1,972.6	-273.8	-12.2%
B	<a href="#">Rock Creek Campus</a>	1,746.7	1,634.6	-112.1	-6.4%
C	<a href="#">Cascade Campus</a>	1,196.6	1,182.5	-14.1	-1.2%
E	<a href="#">Southeast Campus</a>	649.7	590.8	-58.9	-9.1%
T	<a href="#">Academic Affairs</a>	8.4	11.7	3.4	40.2%
U	<a href="#">Student Affairs</a>	52.8	43.0	-9.8	-18.5%
V	<a href="#">Executive Vice President</a>	164.6	191.5	26.9	16.4%
<b>Total</b>		<b>6,065.3</b>	<b>5,626.9</b>	<b>-438.5</b>	<b>-7.2%</b>

PCC has a biennial budget of \$1.4 million for FY 21-23, with \$729 million of that budgeted for FY 22-23.<sup>1</sup>

### Portland Community College Budget Summary

	2019-20	2020-21	2021-22	2022-23
Resources:	Actual	Actual	Revised	Adopted
Beginning Fund Balance	317,947,553	307,204,025	335,541,027	215,612,741
Property Taxes	91,891,564	95,446,302	95,867,388	100,950,500
Intergovernmental Revenue	233,892,155	253,153,129	254,923,884	231,418,621
Fees and Charges	129,339,094	119,979,102	133,262,810	134,791,711
Other Income	10,514,716	5,525,242	5,293,079	6,239,107
Debt Proceeds	0	756,886	0	0
Transfers In	27,781,058	86,135,884	53,225,944	40,229,774
<b>TOTAL RESOURCES</b>	<b>811,366,140</b>	<b>868,200,570</b>	<b>878,114,132</b>	<b>729,242,454</b>
<b>Requirements:</b>				
Personnel Services	223,814,577	223,795,649	251,890,281	253,623,819
Materials & Services	150,037,687	139,558,063	160,442,482	148,908,845
Capital Outlay	28,923,485	46,371,881	72,891,611	83,895,130
Debt Service	73,605,308	76,120,989	82,013,065	82,608,390
Fund Transfers	27,781,058	86,135,884	53,225,944	40,229,774
Contingencies	0	0	42,038,008	47,753,540
Ending Fund Balance	307,204,025	296,218,104	215,612,741	72,222,956
<b>TOTAL REQUIREMENTS</b>	<b>811,366,140</b>	<b>868,200,570</b>	<b>878,114,132</b>	<b>729,242,454</b>

## MEASURE ANALYSIS

### Outreach

The college has conducted extensive outreach to provide information to the public on the bond measure. In 2019, the college formed a bond advisory committee charged with:

1. Ensuring that communities both internal and external to the college understand the projects funded under bond measures, how they are identified, and the practices and procedures used to bring them to fruition.

<sup>1</sup> To align with the TSCC format, PCC's biennial budget is modified to an annual budget for purposes of the annual report and budget summaries.

2. Understanding and disseminating decision-making processes associated with bond-funded projects.
3. Assisting in communication related to bond projects throughout the college and the community at large.

PCC conducted a poll in winter 2022 that showed 58% were definitely, likely to or would lean towards supporting the upcoming bond, with 19% definitely supporting. Additional information increased support to 69%, with 32% definitely supporting.

### Bond Projects

Bond projects are anticipated to align closely with the strategic plan and facilities plan, as well as addressing equity goals and future budget planning.

### Key Considerations in Developing Facilities Plan:

- Space Use
- Transportation
- Sustainability
- Equity



### Strategic Plan Aims:

**Belonging** refers to our goal to transform our learning culture toward creating a sense of belonging and well-being for every student.

**Delivery** refers to our goal to redefine time, place, and systems of educational delivery to create a more learner-centric ecosystem.

**Workforce** refers to our goal to respond to community and workforce needs by developing a culture of agility.

**Enterprise** refers to our goal to cultivate a long-term sustainable enterprise.

The bond aligns with strategic plan initiatives to update technology and equipment, improve accessibility, improve facilities and technology for up-to-date job training spaces, and to enhance health, safety, and the lifespan of facilities.

The focus of the bond is to update existing buildings. From a Winter 2022 PCC presentation<sup>2</sup> to the PCC Board:

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<sup>2</sup> We should note this tentative list of projects may have changed since this presentation was shared in early 2022 – since then, PCC has closed the Sylvania pools, and it is unclear if the renovations to the pool area described would still be planned. [After operating for roughly half a century, Portland Community College plans to close Sylvania pools - OPB](#)

**Should the PCC Board approve placing the bond on the November 2022 ballot, the types of projects we'd invest in...**

**Modernizing and Retrofitting Existing Assets**

- Rock Creek: In approx same sq ft, replace Building 2 and update CTE facilities
- Sylvania: CT complete interior renovation
- HT West: Renovate locker rooms, classrooms, labs, and pool area
- Expand technical education in Washington County.

**Updating Essential Operational Functions**

- Deferred maintenance and roof replacements
- Accessibility upgrades
- Information technology infrastructure upgrades
- Safety and security upgrades

**Optimizing Existing Resources** Cascade and Southeast Campus planning, transportation demand management, supporting college reorganization, and college-wide space management.



The ballot measure explanatory statement provides more details (this represents the district's commitment to the voters on how dollars will be spent):

If approved, bond proceeds are expected to include the following capital investments:

- **Updated classrooms, technology, facilities, and equipment to provide students with modern higher education and job training spaces**, including flexible hybrid-learning options—providing students with the flexibility and options to balance their education with other responsibilities.
- **Improved facilities and updated technology** to provide up-to-date job training spaces that can be adapted as businesses' needs evolve, so students graduate with the skills they need to compete in today's economy.
- **Improved accessibility** for people with disabilities.
- **Increased facility lifespan and efficiency** through heating and cooling upgrades and updated plumbing and electrical, to conserve operation expenses.
- **Addressing health and safety precautions**, including improved building ventilation and campus lighting, transit stops.
- **Renovating aging facilities** at Rock Creek and Sylvania. PCC would also expand technical career education in Washington County.
- Site improvements, demolition, furnishing, equipping, acquiring land, bond issuance costs.

The proposed bond projects would support students regardless of their zip code, background, or family circumstances, so that anyone who wants a college education would have access to one.

The ballot measure summary is written broadly and only mentions three specific sites (Rock Creek, Sylvania and a reference to the Hillsboro Center in Washington County). A more detailed list of project locations and estimated costs from the college are provided on the next page.

CAMPUS	BUILDING	COST 2021
Cascade	Campus Plan	\$500,000
Rock Creek	B2	\$54,000,000
	CTE	\$20,000,000
	BCT	\$10,000,000
Southeast	Campus Plan	\$800,000
Sylvania	CT and Art Gallery	\$60,000,000
	HT West	\$25,000,000
Hillsboro Center		\$20,000,000
Deferred Maintenance		\$40,000,000
Roofs		\$20,000,000
IT		\$40,000,000
Safety and Security		\$10,000,000
Accessibility		\$1,000,000
Planning		\$1,000,000
Escalation (5% assumption 15% to 20% currently)		\$60,000,000
Administration (Funding for 13 years)		\$69,000,000
Contingency (Underfunded. Move \$14.7 from unfunded if available)		\$18,700,000
<b>TOTAL BUDGET</b>		<b>\$450,000,000</b>

## PCC DISTRICT MAP

### CAMPUSES

- 1 Cascade
- 2 **Rock Creek**
- 3 Southeast
- 4 **Sylvania**

### CENTERS AND OTHER LOCATIONS

- 5 Carolyn Moore Writers House
- 6 CLIMB Center for Advancement
- 7 Columbia County Center
- 8 Downtown Center
- 9 **Hillsboro Center**
- 10 Maritime Welding Training Center
- 11 Newberg Center
- 12 Portland Metropolitan Workforce Training Center
- 13 Swan Island Trades Center
- 14 Vanport Building
- 15 Willow Creek Center





### Previous Bond Measures

PCC has passed two previous bond measures in the last 14 years:

**2008** –\$374 million, 63% pass rate

**2017** –\$185 million, 58% pass rate

The 2008 bond was designed to add and expand college facilities, while the 2017 bond focused on modernizing existing facilities and upgrading technology. Status of the previous bond projects are on the PCC website: [District-wide projects | Planning and Capital Construction at PCC](#). A number of projects are still in progress from the 2017 bond, such as the Health Technology building remodel, public safety facilities, classroom digital conversion, mass notification system, and more.

### Existing GO Bond Debt

The college currently pays debt on the two recent bond measures.

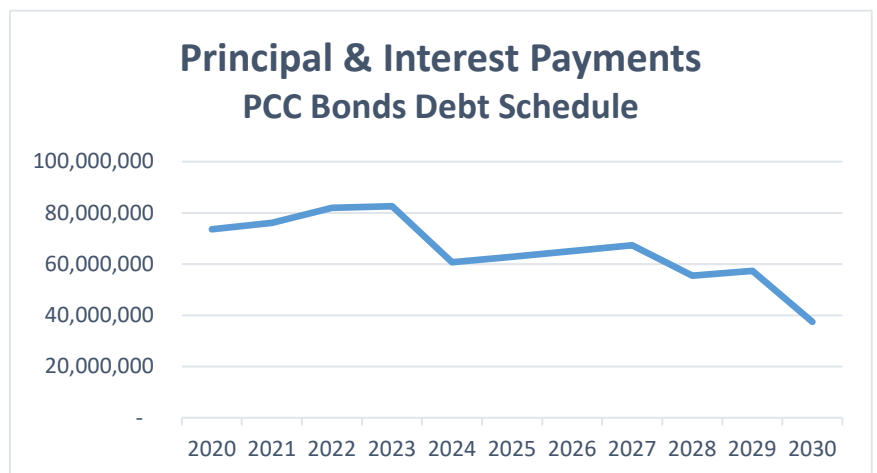
**2008 GO Bond Levy:** Bonds issued in 2009 (\$200 million, refunded in 2016) and 2013 (\$174 million, refunded in 2020).

**2017 GO Bond Levy:** Bonds issued in 2018 (\$185 million).

As of June 2022, the college had approximately \$324 million in outstanding debt for the two existing GO bonds.

### Cost to Taxpayer

Portland Community College has an existing general obligation rate of \$0.3803 per \$1,000 to pay debt service for the past bond measures. It is the intent of the district that the tax rate for the new bonds will remain roughly the same as in previous years, as outstanding debt is scheduled to decline in the coming years when previous bond issuances are paid off (see graph to the right – does not include proposed 2022 bonds). The intent is to issue the new bonds in more than one series.



The taxpayer cost would be an estimated \$95 per year or \$7.92 per month for property with an assessed value of \$250,000. If the proposed measure does not pass, the proposed services would not be provided and the tax rate would decline.