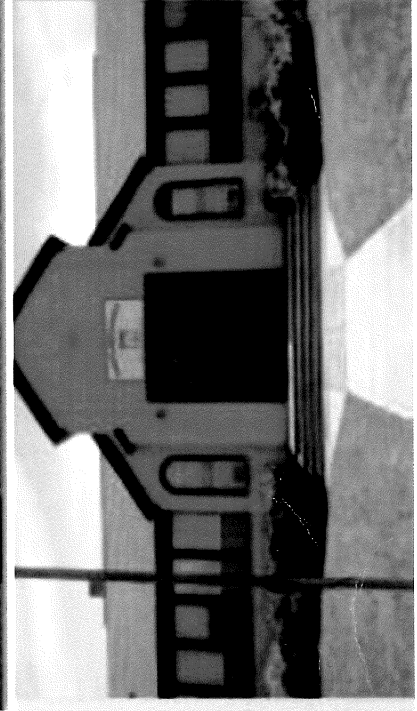
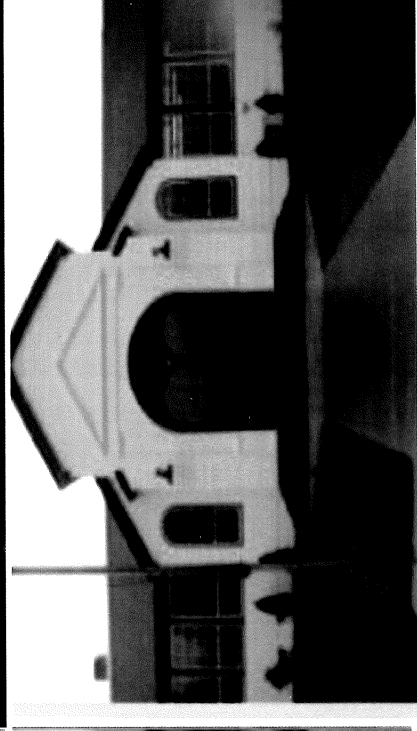
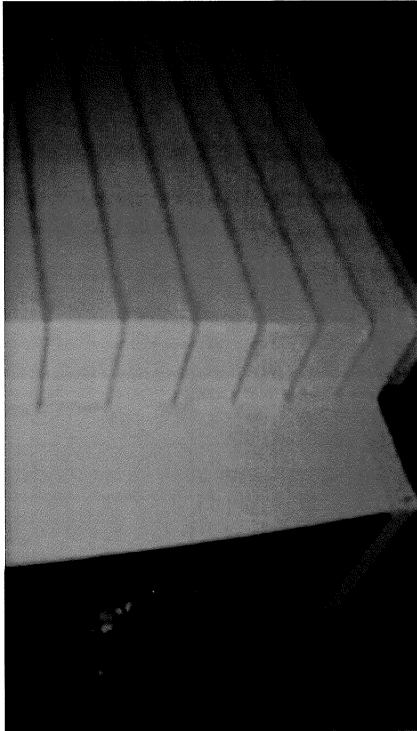
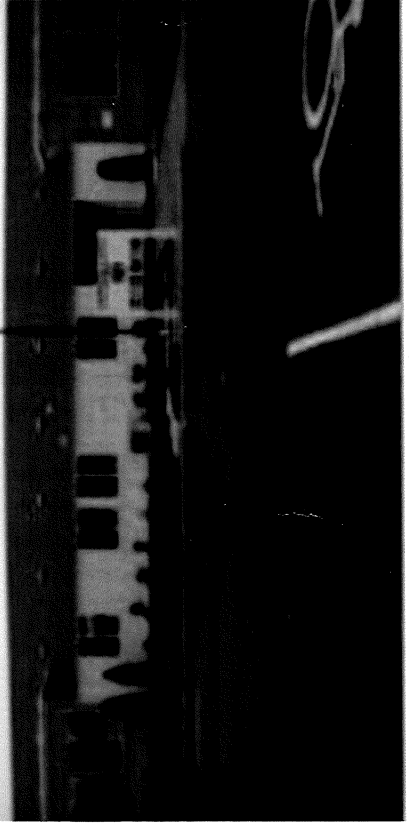
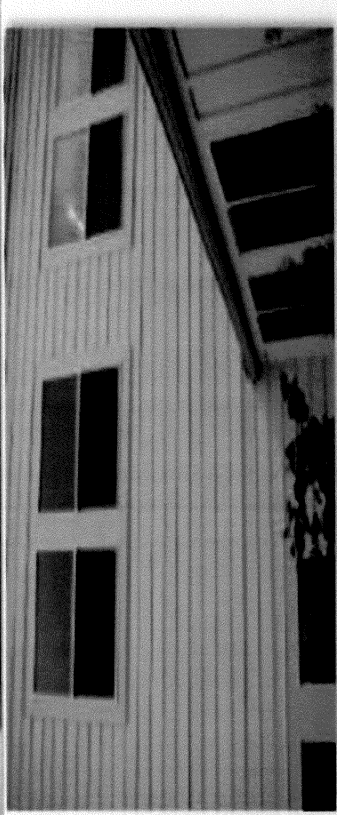


Lowell High School



Lundy Elementary



SCHOOL FACILITY FACT SHEET

History of Bonds in Marcola

1. 1996 – passed a bond for 685,000, expired in 2002. Improvements in facilities, new books and technology infrastructure. In 2008, the District put a \$6.4 million bond on the November ballot which was defeated. 392 votes Yes and 485 votes No.

How does Marcola Property Tax Rates compare to other communities in Lane County?

1. Marcola School District currently has No Bond Debt, and therefore it is ranked 14th out of 16 school districts for the lowest property tax rates in Lane County.
2. Residents of Marcola School District currently pay a rate of 4.67 per 1000.00, Central Linn and Junction City School Districts are the only 2 school district with lower property taxes at 4.62 and 4.56 respectively. All three districts are in need of renewed or replaced facilities.

Why does the District need to replace existing facilities?

1. Marcola Elementary School is almost 50 years old.
2. Deferred Maintenance projects to renew the existing elementary facility will cost \$5,012,924 – this does not include deferred maintenance and seismic upgrades to Mohawk Jr./Sr. High School.
3. Expenditures on Maintenance has increased by 20% in the past 4 years. The increase in maintenance costs has decreased the funding directly impacting student learning.

4. Projects that need to be fixed in existing elementary school (\$5,012,924)

A.	Main building – replace HVAC (Heating, Ventilation, Air Conditioning system)	\$65,000
B.	Gym – Replace HVAC (Heating, Ventilation, Air Conditioning system)	\$32,000
C.	Modular Buildings – replace roof	\$9,000
D.	Kindergarten – replace roof	\$87,000
E.	Replace door hardware	\$52,000
F.	Replace Water Heater	\$6,000
G.	Replace Water Lines	\$203,000
H.	Replace Drain Lines	\$70,000
I.	Abate and Replace Gym Floor (Asbestos Tiles)	\$85,000
J.	Paint School	\$65,000
K.	Replace Kitchen Equipment	\$128,000
L.	Gym Re-Roof	\$83,000
M.	Main Re-Roof	\$182,000
N.	Replace Ceiling Tiles	\$103,000
O.	Replace Flooring	\$66,000
P.	Replace Floor Slabs	\$465,000
Q.	Replace lighting	\$226,000
R.	Upgrade Electrical	\$225,000
S.	Abate Pipe Insulation (Asbestos Insulation)	\$44,000
T.	Modernization (interior and exterior)	\$995,000
	CONSTRUCTION BUDGET	\$3,283,000
	Inflation (2% per year)	\$65,660
	Furnishings	\$232,000
	Development costs (35-40%)	\$1,432,264
	TOTAL:	\$5,012,924

5. Currently, the heating system had to be shut down and will remain shut down for safety reasons. A new system will cost over \$150,000. This expense will decrease the instructional budget by \$150,000. The current elementary heating system cost the district over \$400.00 per day in fuel expenses compared to \$93.00 per day to heat Mohawk High School.
6. Marcola School District is one of 3 districts in Lane County that would have 100% of their buildings destroyed with significant seismic activity.

Has the District Looked at Alternative Funding? YES

1. State Facility Grants: Reserved for projects to create more space for increase in enrollment. Portable buildings etc. (May not be funded in next biennium)

2. Construction Excise Tax:

Oregon State Statute authorizes schools to impose construction excise taxes to fund planned capital improvements to school facilities. School Districts have entered into intergovernmental agreements with Lane County for the collection of construction excise taxes and their rates are \$1.05 per square foot for certain residential building permits, mainly new homes, and \$0.53 per square foot for certain commercial building permits. Excise Tax in Marcola would not provide a significant revenue for major repairs. School Districts in Lane County using Construction Excise Tax are: Bethel School District, South Lane School District, Oakridge School District, Creswell School District, Fern Ridge School District, Junction City School District, Lowell School District, McKenzie School District, Monroe School District.

3. SB 1149 – Energy Efficient Projects (Usually under \$100,000)

4. Seismic Upgrades – under 1 million and not used for new construction. (This is beyond the \$5 million expense to repair and renew the existing facility) Marcola School District's school buildings has a 100% risk of seismic collapse with significant seismic activity.

5. Senate Bill 447 – Bill introduced into 2015 legislative session to provide matching funds for districts that pass bonds. Even if it passes funds would not be available until May or November of 2016. Additional non-matching funds will go to districts who can show a hardship and can demonstrate at least 2 or 3 times in which their community has not passed a bond. Marcola would not qualify until it has failed to pass a bond again. Amounts capped at \$500k.

6. The facility committee agrees it makes no sense to spend 5 million on a 50 year old facility that was patched together without a plan to keep our children and staff safe.

7. The facility committee agrees it makes more sense to build a new facility near the Mohawk High School for the long term cost savings and efficiencies of sharing staff, equipment, resources, and utilities.

8. What is the cost of a new elementary school? What is the impact on Property Taxes?

A. New Elementary: \$7, 817,131.

B. Projected Levy Rate (per thousand)

20 years: 2.61

\$400,000 property value increase \$1044.00 per year or \$87.00 per month

\$300,000 property value increase \$783.00 per year or \$65.25 per month

\$200,000 property value increase \$522.00 per year or \$43.50 per month

\$100,000 property value increase \$261.00 per year or \$21.75 per month

25 years: 2.16

\$400,000 property value increase \$864.00 per year or \$72.00 per month

\$300,000 property value increase \$648.00 per year or \$54.00 per month

\$200,000 property value increase \$432.00 per year or \$36.00 per month

\$100,000 property value increase \$216.00 per year or \$18.00 per month

9. What is the cost for renewal/repair projects at Mohawk High School? And what renewal/repair projects are needed now? \$1,010,020

A. Repairs and Renewal \$ (We eliminated the suggestion for a Kitchen Addition and a new Track at combined cost of \$1,049,000)

B. Enlarge Bus Parking (\$34,000), HVAC – Admin/Classrooms (\$46,000), Ductless HVAC – Modular (\$14,000), Replace Boilers in the Gym (\$29,000), Reroof – Admin/Classroom (\$116,000), Reroof Gym (\$111,000), Stage Lighting (\$39,000), Refinish Gym Floor (\$21,000), Replace Door Hardware (\$74,000), Replace Exterior Windows (\$194,000), Inflation 2% per year (\$13,560), Furnishings (\$47,460), Developmental Costs (\$271,000)

10. What is the combined cost for deferred maintenance repairs/renewal of the high school and a new elementary school? What is the impact on Property Taxes?

A. The cost to build a new elementary school and fix the deferred maintenance issues at Mohawk High School is \$8,827,151

B. Projected Levy Rate (per thousand) on a 9.5 million bond (Not to exceed 9.5 million)

20 years: 3.20

\$400,000 property value increase \$1244.00 per year or \$104 per month

\$300,000 property value increase \$933.00 per year or \$77.75 per month

\$200,000 property value increase \$622.00 per year or \$52.00 per month

\$100,000 property value increase \$311.00 per year or \$26.00 per month

25 years 2.69

\$400,000 property value increase \$1033.00 per year or \$86.00 per month

\$300,000 property value increase \$774.00 per year or \$65.00 per month

\$200,000 property value increase \$516.00 per year or \$43.00 per month

\$100,000 property value increase \$258.00 per year or \$22.00 per month

11. If a bond was passed in May of 2015 to build a new elementary school, when is the projected date of completion? Fall of 2016

12. If the school were built in close proximity to the high school would elementary students be mixed with high school students? No. The elementary and middle school will be on a different schedule. High school students could be used as mentors, instructional aides, etc. as support for elementary classroom teachers.

13. Why is NOW the best time to sell a bond?

* Low interest rates and the financial climate have reduced projections for tax rates

* Other bonds have been paid, local tax rates are low

* Property values are stable and growth is steady

14. How will building a new elementary school save money over time:

* Lower annual maintenance

* Lower utility costs

* Reduced administrative, transportation and food costs

15. If the construction costs for the school come in less than the estimated costs associated with the bond, will the remaining funds be used to pay off the bond debt? Yes. We have also received an estimate for the market value of the existing elementary school to be in the 1 to 1.3 million dollar range. All profit from the sale of the property will be used to pay back bond debt.

FACT: The replacement and renewal problems will not disappear without a significant financial commitment.

A special levy election to exceed the property tax limitation in 15-10-420, must be conducted in accordance with 15-10-425. The ballot language must contain the following information:

- a. Specific **purpose**
- b. Either
 - Specific dollars** and approximate mills
 - OR
 - Specific mills** and approximate dollars
- c. Whether **perpetual** or the **durational limit**
- d. The **impact** on a home having a market value of **\$100,000**
- e. The **impact** on a home having a market value of **\$200,000**

Sample ballot language is below. This is the basic language that meets the statutory requirements. It states the purpose, the specific mills and approximate dollars and the durational limit as well as the fiscal impacts on homes valued at \$100,000 and \$200,000. You

Shall the Big Sky Board of County Commissioners be authorized to levy two (2) mills, being approximately \$150,000, for a period of five (5) years to fund courthouse repairs? The fiscal impact on a home having a market value of \$100,000 is estimated to be \$5.45 each year of the levy and \$10.90 on a home having a market value of \$200,000..

_____ *For the additional levy*

_____ *Against the additional levy*

On separate tabs there are two worksheets to calculate the fiscal impacts

There are two tabs, one for specific dollars and the other for specific mills.

If a specific dollar amount is used:

In the green highlighted cells enter the specific dollar amount.

In the yellow highlighted cells enter the most-recent certified taxable value.

I have entered the appropriate exempt percentages in the blue cells and tax rate in the rose highlighted cells

The spreadsheet should do everything else for you.

If a specific number of mills is used:

Enter the specific number of mills to be levied in the red highlighted cells. It will give you the tax increase for homes with values of \$100,000 and \$200,000. In the purple box that shows \$50,000, you could enter a home value of your choosing and it will then calculate the impact

Do school facilities affect academic outcomes?

1. There is a direct association of Higher suspension rates, lower attendance rates and lower test scores in schools with poor facilities (Boese, S., & Shaw, 2005)
2. The quality of school infrastructure has a significant effect on school attendance and drop-out rates. Students are less likely to attend schools in need of structural repair and schools that use temporary structures. (Branham, D., 2004)
3. There is a direct association between physical disorder and social disorder in schools with poor facilities even when all other physical, intellectual, emotional and social factors are controlled. (Plank, S., Bradshaw, C., & Young, H., 2009)
4. There is a significant relationship between building condition and test scores. Additionally, at least 75% of school leaders indicated that the adequacy of school facility impacted teacher attitudes, teacher recruitment and retention, student behavior, and parent and community attitudes and support. (Stevenson, K.R. 2001)
5. Significant relationships for facility measures explained 10-15% of the differences in student test scores across all schools in the study after controlling for student demographics. (Lewis, M. 2000)
6. Schools changing from the worst to best Overall Environmental Compliance Rating leads on average to a 36 point increase in the school's Academic Performance Indicator (API) (Buckley, J., Schneider, M., & Shang, Y. 2004)

MARCOLA SCHOOL DISTRICT 079J BOND FACT SHEET



MARCOLA SCHOOL DISTRICT 079J
P. O. Box 820
38300 Wendling Road
Marcola, OR 97454

Your vote counts!
Cast it May 19, 2015.

What will this bond's impact be on my property taxes?

A summary of the property tax impact of a \$7.8 million capital school construction bond is provided below.

assessed value of property (\$)	20 YEAR LEVY RATE - \$2.61/\$1,000 ASSESSED VALUE		25 YEAR LEVY RATE - \$2.16/\$1,000 ASSESSED VALUE	
	annual property tax increase for bonds (\$)	monthly gross property tax increase (\$)	annual property tax increase for bonds (\$)	monthly gross property tax increase (\$)
\$100,000	\$261	\$21.75	\$216	\$18.00
\$200,000	\$522	\$43.50	\$432	\$36.00
\$300,000	\$783	\$65.25	\$648	\$54.00
\$400,000	\$1,044	\$87.00	\$864	\$72.00

If the construction costs for the school come in less than the costs associated with the bond, will the remaining funds be used to pay off the bond debt? **DO NOT PAY OFF DEBT!**
Yes. The school district has also received an estimate for the market value of the existing elementary school which is in the \$1 million to \$1.3 million range. Profit from the sale of the elementary school property would be used to repay bond debt.

Why is now a good time to sell a bond? Historically low interest rates and the current financial climate have reduced projections for tax rates. Other bonds have been paid off and local tax rates are low. Property values are stable and growth is steady.

Do Not Pay Off Debt! Do Not Pay Off Debt! Do Not Pay Off Debt!

In May 2015, the Marcola School District is going to ask residents to vote on a \$7.8 million capital school construction bond that will replace Marcola Elementary School with a new elementary school on the junior/senior high school campus.

The outcome would be a K-12 Community School that will provide Marcola students in every grade level with quality, contemporary learning environments. Resulting benefits to the district and community would be:

- Operational Efficiency
- Cost Savings
- Shared Facilities
- Improved Community Access
- Enhanced Safety

The District Facilities Committee, comprised of both staff and community representatives, has undertaken an evaluation of Marcola Elementary School, analyzing the viability of either repairing or replacing it. Multiple potential cost scenarios and funding options were explored and, in the end, the Facilities Committee recommended that the most cost-effective course of action, both now and for the long-term, is to replace Marcola Elementary School, consolidating all school facilities on one campus.

Building a new elementary school will save money over time through lowered annual maintenance costs, lower utility costs and reduced administrative, transportation and food service costs.

Details & Frequently Asked Questions ->

phone // 541-933-2512 • fax // 541-933-2338 • 38300 Wendling Road • Marcola, OR 97454

FAQ

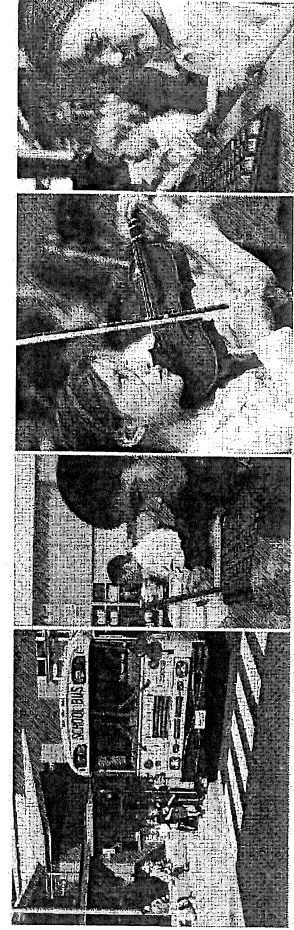
FREQUENTLY ASKED QUESTIONS

Why do we need to replace Marcola Elementary instead of repair it?

Marcola Elementary School is almost 50 years old and district expenditures on school maintenance have increased by 20% in the last four years. The increase in maintenance costs has decreased the funding available to the educational programs and student learning at Marcola Elementary. It will cost more than \$5 million to repair the existing facility, as detailed below.

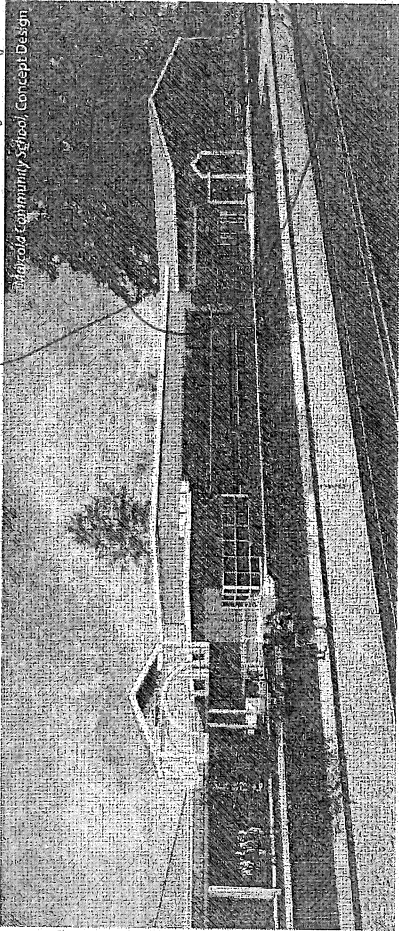
HVAC-SYSTEM REPLACEMENTS (Heating, Ventilation & Air Conditioning)	
Main building	\$65,000
Gymnasium	\$32,000
ROOF REPLACEMENTS	
Modular Buildings	\$9,000
Kindergarten	\$87,000
Gymnasium	\$83,000
Main Building	\$182,000
ADDITIONAL FACILITY REPAIRS	
Replace door hardware	\$52,000
Replace Water Heater	\$6,000
Replace Water Lines	\$203,000
Replace Drain Lines	\$70,000
Replace Gym Floor (asbestos removal)	\$85,000
Paint School Exterior	\$65,000
Replace Kitchen Equipment	\$128,000
Replace Ceiling Tiles	\$103,000
Replace Flooring	\$66,000
Replace Floor Slabs	\$465,000
Replace lighting	\$226,000
Upgrade Electrical	\$225,000
Replace Pipe Insulation (asbestos removal)	\$44,000
Modernization, interior and exterior	\$995,000
Furnishings	\$232,000
Construction Costs	\$3,283,000
Inflation (2% per year)	\$65,660
Development Costs (35-40%)	\$1,432,264
COST TO REPAIR MARCOLA ELEMENTARY	\$5,012,924

Handwritten notes:
 - "Remain" with arrows pointing to "Paint School Exterior" and "Replace Kitchen Equipment".
 - "Site prep" with arrows pointing to "Construction Costs" and "Inflation".
 - "Plan for" with arrows pointing to "Development Costs".



If the elementary school is built in close proximity to the high school will elementary students be mixed with high school students?

No, there will still be a segregation of student grade levels. The elementary and middle school will be on a different schedule from the elementary school, and there will be three separate buildings housing the grade levels. High school students could be used as mentors and instructional aides as support for elementary classroom teachers.



Marcola Community School, Concept Design

If this bond is passed May 2015, when is the projected date of completion?

The new elementary school would be complete and ready for the school year starting September 2016.

How do Marcola's tax rates compare to other Lane County communities?

The Marcola School District currently has no bond debt, and is ranked 14th out of 16 school districts for the lowest property tax rates in Lane County. Residents within the Marcola School District currently pay a tax rate of \$4.67 per \$1,000 of assessed property value. Central Linn and Junction City School Districts are the only two school districts in Lane County with lower property taxes at \$4.62/\$1,000 and \$4.56/\$1,000 respectively. All three school districts are in need of school facility renewal and/or replacement.

If Marcola passes a school construction bond for \$7.8 million would our tax rates be higher than most communities?

Although, our community would move up toward the top of the list, we would only be there temporarily. Other communities are also putting school construction bonds forward. As other communities pass bonds, they will also move up on the list and Marcola would return to the lower half for property tax rates.

Has the district explored alternate sources of capital improvement funding?

Yes, several possibilities have been explored.

State Facility Grants are available for projects that create additional capacity to accommodate increases in enrollment for instance portable buildings. This program may not be funded by the legislature in the next biennium.

Construction Excise Taxes, imposed by school districts under Oregon State statute, can be used to fund planned capital improvements to school facilities. The excise tax rate is \$1.05 per square foot for certain residential building permits (primarily new construction) and \$0.53 per square foot for certain commercial building permits. Construction excise taxes in Marcola are not a significant source of revenue for major school facility repairs.

SB 1149 Funds - The State of Oregon passed a bill that mandates collection of a public-purpose service charge by utility companies, and the allocation of 10% of those funds toward energy efficiency improvement efforts in public schools. Grants from SB 1149 funds are made solely for energy efficiency projects and typically are under \$100,000.

SB 447 This bill was introduced during the 2015 legislative session and would provide matching funds for school districts passing capital school construction bonds. If it passes, state funds would not be available until May or November 2016. Under this bill, if approved, non-matching funds may be available to districts who can demonstrate hardship and a track record of multiple school bond failures. Non-matching funds are capped at \$500,000 per district.

Levy Rates and Costs ->

The challenges of aging school facilities can be addressed with a financial investment in our schools.