

Vernonia School District 47J
2017 GO Bond – SEL 803 Explanatory Statement

Following catastrophic floods in 1996 and 2007, voters approved a 2009 bond measure to move the three impacted Vernonia School District schools and District Office to higher ground. The school opened in 2012, meeting FEMA deadlines and before another major flood event occurred (December 2015).

Total cost of moving the District to higher ground was \$42 million, with approximately \$13 million coming from the 2009 bond, \$12 million from FEMA, and the remainder from state and federal grants, and individual and private foundation donations. The final \$5 million needed to complete construction was borrowed, and, should this measure not pass, will need to be repaid from the District's general fund.

Fundraising efforts and receipt of grants have paid these loans for seven years, but these opportunities are no longer available. Payments on these loans will now come 100% from the general fund budget, impacting classroom programs. Further, certain key capital projects from the original campus design were never completed due to lack of funding. The proposed bond will tackle all of these issues. Importantly, the District was recently awarded a \$2.35 million matching grant from the State of Oregon toward new capital projects; however that money will only be available if voters approve this bond.

This bond will refinance construction debt of approximately \$4.1 million. Current loan payments of \$398,000/year (equivalent to 5 full-time teachers, or 20 days of school) will be eliminated if voters approve this bond. If voters reject this bond, these loan payments will continue, and be paid from general funds.

If this bond is approved Vernonia voters will have a \$47 million dollar school campus project for the overall price of \$19.8 million (\$13 million 2009 plus this \$6.8 million) in local bonded debt.

The bond and matching grants are expected to fund:

- Refinancing existing debt, freeing up resources for general operations to support classroom learning.
- Mist School repairs and renovations
- welding/metals building
- playground equipment
- four classrooms; one for art
- security/surveillance systems
- solar panels
- educational technology

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- enhanced lighting
- football field, irrigation and track
- site improvements, furnishing, equipping of projects and bond issuance costs

For the 2009 Bond, the District estimated a tax rate of \$1.90 per thousand of assessed value. Because of low interest rates, strong growth in assessed values, and a recent refinancing of the 2009 Bond, the actual rate paid has been lower. The addition of this bond is estimated to not exceed that original \$1.90 per thousand rate, with an incremental cost increase of approximately \$0.20 per \$1,000 of assessed property value above 2017 levels. Actual rates may differ depending on interest rates incurred and growth in assessed value.

New property owners moving into the community would pay for the projects through new property taxes that could reduce the share paid by existing property owners.