

TO: City Council
FROM: James L. App, City Manager
SUBJECT: Paso Robles High School Bond Measure
DATE: September 19, 2006

NEEDS: For the City Council to consider a request from citizens to support passage of a \$20,000,000 bond measure for High School improvements.

- FACTS:**
1. The Paso Robles Unified School District Board of Directors established a citizen-based facilities committee to examine school facility needs.
 2. The facilities committee recommended presentation of a \$20,000,000 bond measure to the voters to fund improvements for the High School in the June 2006 primary election.
 3. The bond measure failed by a slim majority in June. In July 2006, the School Board honored the citizen facilities committee recommendation by voting to place a \$20,000,000 High School bond measure on the November 2006 ballot.
 4. Bond proceeds will be used for:
 - Classroom upgrades & equipment
 - Portable classroom renovation/replacement
 - Music, drama, & arts instructional facility
 - Expanded physical education facilities
 - Trade & Technology “Academy” (instructional facility)
 - Renovation/replacement/upgrade of HVAC equipment & roofs
 - Suspended ceiling seismic retrofit
 - Restroom seismic & ADA retrofit
 - Parking lot upgrades.
 5. A \$20,000,000 bond will cost property owners \$11.90 per \$100,000 of assessed valuation over 25 years.
 6. The approximate average assessed value of residences in town is \$300,000. So, the bond levy will result in an annual cost of about \$35.70
 7. The estimated tax rate of \$11.90 is within the established taxing capacity of City property owners as gauged by their payment of Municipal bond levies in 2005 at \$178 (per \$100,000 assessed value) - now reduced to \$95.20¹. Stated differently, in 2006, if the High School Bond passes, the combined tax rate (municipal plus high school bonds) will be approximately \$107.10 – significantly less than the \$178 paid for just municipal bonds in 2005.

¹ See Resolution No. 06-129, adopted July 18, 2006

8. The Paso Robles Chamber of Commerce has endorsed the High School Bond.
9. *The Tribune* urges voter support of the bond.
10. The 2006 Economic Strategy, jointly commissioned by the City Council and Chamber of Commerce, includes a primary objective to continually educate the local labor force. One of the primary means to accomplish this objective is to actively support public education. Endorsement of the High School bond measure is consistent with the Strategy.
11. Endorsement of the High School Bond is consistent with the City Council's adopted goal to "support local schools."

ANALYSIS &

CONCLUSION: Local public schools are Paso Robles assets. As such, the State generally expects the local community to fund needed rehabilitations and improvements. One of Paso Robles public school facilities, the High School, is in need of some repair and renovation.

Paso Robles High School was built in 1981 for 1200 students. The facility is host to 2,200 students, nearly double its design load, and, as a consequence of both age (25 years old) and continuing load above design capacity, is in need of added instructional facilities as well as seismic & A.D.A. retrofit, renovation and/or replacement of obsolete mechanical systems. These conclusions were confirmed by a group of citizens organized to advise the Paso Robles Unified School Board.

The citizen group determined the most cost effective means to preserve the community's investment in this fixed asset, and to meet continuing student loads, is to request voter support for an \$11.90 per \$100,000 real property assessed value limited term tax. The proposed tax would cost the average homeowner in Paso Robles approximately \$36 per year (as the estimated average assessed value is \$300,000). The \$36 per year for 25 years would fund the issuance of \$20,000,000 bond to complete many of the projects listed above (in Fact #4).

Paso Robles property owners have an established capacity to fund this limited term tax. Between 2002 and 2005, each paid \$178 per \$100,000 A.V. to fund the cost of a \$38,000,000 Municipal Bond. For 2006-2007, the municipal bond tax rate has been reduced to \$95.20/\$100,000 A.V. As a consequence, Paso Robles property owners can both support the High School Bond and pay less per \$100,000 A.V. than they paid in 2005 ($\$95.20 + \$11.90 = \$107.10$ vs. \$178 paid in 2005).

A group of concerned parents has undertaken a grass roots campaign to advocate for the High School. They have requested the City Council's endorsement of the proposed High School Bond (which will be on the November 7, 2006 ballot). The endorsement sought is consistent with adopted City Council goal to support local schools, and with the draft Economic Strategy jointly commissioned by the City Council and the Chamber of Commerce. Local business, through their representative business association, the Chamber of Commerce, has endorsed the bond.

POLICY

REFERENCE: City Council Goals; 2006 Economic Strategy.

FISCAL

IMPACT: No direct, immediate impact upon Municipal finances.

OPTIONS:

- A. Adopt Resolution No. XXX Endorsing Measure T Paso Robles High School Bond.**
- B. Amend, Modify or Reject the Option Above.**

Attachment:

Resolution No. 06-XXX
Tribune article (August 20, 2006) text

From: Kim Gaspar [gasparfam@tcsn.net]

Sent: Monday, August 28, 2006 4:40 PM

**PASO'S *MEASURE T* STANDS FOR TOMORROW
OPINION OF THE TRIBUNE - IT ISN'T JUST A MATTER OF REPAIRS; IT'S AN
INVESTMENT IN THE FUTURE**

Published: Sunday, August 20, 2006

Section: Editorial

Edition: Tribune

Page: B6

Lines: 90

The decision by the Paso Robles school district to pursue a \$20 million bond measure in November -- the sixth such effort in the last decade -- is welcome news; the need for *Measure T* is readily apparent. And, after the June bond failed to garner the needed 55 percent, missing by just 33 votes out of 10,168 ballots cast, we believe there's community support to upgrade and expand the district's 25-year-old high school.

Is there really a need?

Consider the school's aging ventilation, heating and air conditioning units. At times last winter, it left the temperature so low that ceramics teacher Jack Mettier said his classroom "felt like a meat locker."

Will Paso students receive the best educational opportunities on a campus built for 1,650 students but is now brimming with 2,300 -- and due to grow by an additional 500 or more?

According to a study by David Taussig & Associates, the high school campus will have 2,523 students by 2010 and 3,005 by 2015 after the Chandler, Beechwood and Olsen ranches are developed.

Is there a need? Without question; these aren't frivolous wants. These are needs to keep an aging campus safe and up to date as a learning institution.

Are there other avenues for financing improvements?

The state gives Paso Robles \$1.2 million annually for deferred maintenance repairs for its 12 campuses, but it's not enough to cover all costs.

The district's upcoming major project -- which would have been covered by the \$20 million measure -- will be reroofing the high school. A \$1 million state grant will help pay for the \$1.7 million project, but the remaining cost will deplete the district's building funds.

No other consistent source of revenue for repairs exists on an annual basis, though the district received \$5.2 million in state hardship money in 2003. Of that money, most was spent on a new high school building and \$500,000 went to refurbishing Georgia Brown Elementary School.

There are no untapped pots of state or federal dollars that the district can turn to in bringing the high school campus up to acceptable standards.

Why should I vote to tax myself if I don't have children in the system?

The simple answer is that it's part of our social contract of giving back to an educational system that has rewarded us so well. These voters will invariably find a rationale to not support education, no matter how many qualifiers and caveats they place on their approval. One red herring we heard in the runup to Measure H in June was this: I won't vote to increase the salaries of teachers or administrators. In reality, Measure H wouldn't have spent a dime on teacher or administration salaries. Neither will the upcoming

Measure T.

As Superintendent Patrick Sayne has said, "I'm sure we'll never persuade the 'no' voters." We're not so sure. Paso Robles citizens were willing to pass the city's Measure D bond by a 68 percent margin. It cost property taxpayers \$178 per \$100,000 of assessed value initially and has decreased to \$108 because the gross assessed valuation for all city parcels has risen.

Measure T, in comparison, will increase taxes by \$11.90 per \$100,000 of a property's valuation, which works out to about \$35.70 per year for a home assessed at \$300,000. Residents obviously saw the value in building Barney Schwartz Park, the Public Safety Center, the Senior Center, the Veterans Memorial Building and expansion of the Niblick and 13th Street bridges by passing Measure D. The value in giving students an exceptional education through a quality learning environment should be just as obvious: These students are our next generation of taxpayers who will be building our parks, staffing our police and fire departments and building our bridges.

In the final tally, it's in the enlightened self-interest of all Paso Roblans to ensure their children receive the best step up for tomorrow.

Vote "yes" on **Measure T** this November.

HOW THE \$20 MILLION WOULD BE SPENT

\$4 million to \$6 million would:

- * Fix immediate structural problems, such as leaky roofs and faulty heating, air-conditioning and ventilation systems.

- * Bring buildings up to code for new seismic standards as well as meet the criteria of the Americans with Disabilities Act.

\$14 million to \$16 million would build permanent classroom space to eliminate most of the school's 24 aging portables. What's most likely?

- * An applied technology academy, possibly at Cuesta College's North County campus, for such areas as construction trades, welding and auto shops. This would free up room in the main high school.

- * Permanent classrooms for music, drama and art, which lack appropriate facilities now. This also would free up room in the main high school.

- * An addition to the gym and more locker space.

Paso Robles Public Schools

Bond Facts

I. What will the bond do?

Bond money will be used for a variety of high school projects including:

- Classroom upgrades
- Classroom equipment
- Renovation/replacement of relocatable classrooms
- Renovation/replacement/upgrade HVAC equipment
- Renovation/upgrade roofs
- Seismic upgrades to suspended ceilings
- Seismic and ADA upgrades to restrooms
- Applied Technology Academy
- Music-drama-art instructional facility
- Additional physical education teaching stations and facilities
- Parking lot upgrades

II. How much is it and what will it cost me?

The total bond will be for \$20 million for twenty-five years. The **maximum tax rate** will be \$11.90 per \$100, 000 of assessed valuation. It is important to note that the tax is based upon the assessed value of the house *on the official tax rolls* not on the market value of the house. Therefore if you are currently paying taxes on a house with an assessed value of \$300,000 your tax for this measure would be \$35.70 per year or \$2.98 per month.

III. Why is it just for the high school?

Because the Paso Robles Joint Unified School District also contains two independent elementary districts (San Miguel & Pleasant Valley), bonds for elementary facilities must be separate from high school facilities. Voters in the independent elementary districts vote for high school projects but not for elementary projects. Since it has proven difficult to run two bond elections at one time it was decided to only seek a bond for high school needs.

IV. Why is it necessary?

Paso Robles High School opened in 1981 and was originally built for about 1200 students. Even though the district has maintained the equipment and facilities there comes a time when there needs to be major capital improvements. Other than limited

funding for routine maintenance requirements school funding from local and state dollars is designed to pay for the day-to-day operational cost of teachers, books, etc. The money for major capital improvements is designed by state law to come from local bonds. (Although in many cases the state will match local dollars thus doubling the amount available for projects.) Additionally, while there have been additional classrooms built over the years there are still 24 portables housing high school students. Beyond classrooms there also exists a need for support facilities such as cafeterias, gyms and sports facilities to handle the current 2200 student population.

V. What did you spend the last tax override bond money for?

The last 25 year tax override which expired in 2002 raised approximately 70 million dollars. It was used to build the current high school as well as Butler, Peterson, Pifer, Lewis, and a portion of Kermit King. It was also used to upgrade both Bauer-Speck and Georgia Brown. In one way or another the schools that exist today were built with that money. It is also important to know that in many cases we were able to get state matching funds which allowed us to do more projects. Those interested in a detailed accounting of expenditures can contact Dr. Hoskins at the district office.

VI. Why didn't you save money from the last override in a "sinking fund?"

Money raised through a tax override is used to sell bonds that act much like a mortgage. There is a time limit regarding the expenditure of these funds since the interest rate on repayment is comparatively low. If the money is kept too long earning a higher interest rate while waiting to be spent the IRS calls it arbitrage and fines the district. Generally the funds raised in a specific bond offering are, of necessity, spent during the life of the bond.

VII. Wouldn't this lead to more administrators or pay for administrators?

The money can only be used for buildings. No additional administrators can or will be hired. No administrators will benefit in any manner from the bond.

VIII. How do we know the money will be spent correctly?

The law stipulates that the board appoint an independent bond oversight committee. It will be their job to monitor expenditures and report back to both the board and the public.

IX. Why do you build such fancy schools and what about the district office and the Culinary Academy?

What is fancy is difficult to decide. All schools are built with an eye on maximum classroom space for the dollar. Attractive schools do not necessarily cost more. The district office was built in the early 90's at approximately \$60 per sq. foot and is completely owned and paid for. Many community organizations use it for little or no charge. An organization with approximately 800 employees and the responsibility for

7,000 students must have some kind of office. At an already owned \$60 per sq. foot the office is cost effective. The Culinary Academy was built in part from a state grant. Currently the food services division is paying for the cost of the loan used to finance the academy at no cost to taxpayers or the general educational fund.

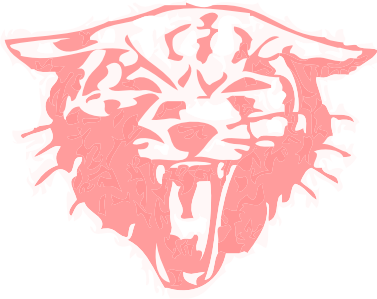
X. Why should I vote for additional taxes, I don't have kids in school?

Aside from the issue of civic responsibility or pride, there is the fact that property values in a community are influenced by a variety of factors. Such factors include parks and recreation facilities, senior citizen centers, library facilities, good roads and attractive well maintained successful schools. Good schools and good education can add value to your property. Poorly maintained and or over crowded schools may detract from property values.

XI. What about developer fees - what do you do with them?

Developer fees can only pay about 1/3 the cost of a new school, and that is only if you don't use them to help pay for temporary housing (portables). We charge the minimum fee we can. We also pay for a number of portables with these monies, otherwise we won't be able to house our current student population.

Revised 09/06/06



Paso Robles High School needs your help!!!

As Fundraising Chairman for the Paso Robles Citizens for Schools, I am asking you to please help support Measure T which is on the November 7, 2006 election ballot. Paso Robles Citizens for Schools is a grass roots organization comprised of local citizens. We need your donation to help fund the campaign to educate the public and to get out the YES vote. Please show your support to this community and to our children by helping with the campaign.

*Contribution checks can be made out to **Paso Robles Citizens for Schools** and mailed to:*

*Paso Robles Citizens for Schools
502 First Street, Suite A
Paso Robles, CA 93446
Attention: Tony Gaspar*

Please call me or email me to let me know if you can be of help in this noble cause. Your donation is greatly appreciated!!!!!!!

Thank you,

Tony Gaspar
Cell 423-1816
tgaspar@gaspargroup.com

OUR COMMUNITY

YES ON

NOV 7TH

OUR HIGH SCHOOL

MEASURE T WILL HELP IMPROVE LEARNING, HEALTH & SAFETY BY:

- ▶ Upgrading classrooms & equipment
- ▶ Replacing and upgrading heating, ventilation, and air-conditioning units
- ▶ Renovating and upgrading roofs and fascia
- ▶ Making earthquake & handicap accessible upgrades to restrooms
- ▶ Building an Applied Technology Academy
- ▶ Providing Music, Drama, and Art Instructional facilities
- ▶ Creating additional physical education facilities
- ▶ Improving parking lot safety

OVERCROWDING IS A FACT

Current capacity is 1,600

Current enrollment is 2,200+

Anticipated enrollment in 4 years is 2,523

CITIZEN'S OVERSIGHT COMMITTEE

There will be a board appointed independent citizen's oversight committee. They will be responsible for monitoring expenditures and reporting back to both the board and the community.

The cost of strengthening our community & maintaining our property values:

On a house with an assessed value of \$300,000 your tax for this measure would be \$35.70 per year or \$2.98 per month.

CONTACT INFO.

For more information contact us at: prhsbond@gmail.com or

Visit our website at: www.prhsbond.com

Produced by Paso Robles Citizens for Schools
Vote Yes On Measure T

RESOLUTION 06-XXX

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL PASO DE ROBLES
ENDORING THE PASO ROBLES HIGH SCHOOL FACILITIES BOND MEASURE ‘T**

WHEREAS, the City’s General Plan established a vision for the community as a place where people could live, work and shop; and

WHEREAS, such a vision assumes vigorous and effective educational opportunities for area youth through local public schools; and

WHEREAS, the General Plan established policies and programs supportive to local K-12 public schools needs for funds to acquire property and build facilities; and

WHEREAS, the Paso Robles School District requested the assistance and advice of a group of citizens to identify facility needs and means to address those needs; and

WHEREAS, that committee concluded that local High School facilities need rehabilitation and some expansion; and

WHEREAS, they recommended to the School Board, and the Board acted to place, a bond measure on the November 2006 ballot to ask voters for the funds to address local High School facility needs; and

WHEREAS, the Paso Robles Chamber of Commerce has endorsed the High School Bond; and

WHEREAS, City support of the proposed bond measure is consistent with established General Plan policies, adopted Council goals, and the 2006 Economic Strategy commissioned by both the City Council and the Chamber of Commerce.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles to endorse the Paso Robles School District November 2006 High School Facilities Bond Measures “T”, and encourage local voters to vote “YES” on Measure “T” on November 7, 2006.

PASSED AND ADOPTED this 19th day of September 2006 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk