



GENERAL OBLIGATION BOND TO PURCHASE AND IMPROVE JUNIOR  
HIGH PROPERTY

**QUESTION**

**[20/20]**

Shall Milwaukie issue general obligation bonds totaling \$5,500,000 for Junior High purchase and improvements (projected repayment: \$9,463,462 assuming 6.13% interest)?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b of Article XI of the Oregon Constitution.

**SUMMARY**

**[174/175]**

A "yes" vote on this measure is a vote to increase taxes. This bond measure funds purchase of and improvements to the Milwaukie Junior High School property.

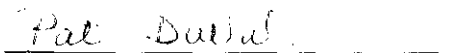
If approved, the bond proceeds will be used to purchase the Junior High property. Bond proceeds may also be used for improvements to the property, which will be developed as a community center and park, including athletic fields. Full development of the site as a community center and park with athletic fields will require additional expenditures in the future.

The bonds are anticipated to raise \$5,500,000 on a one-time basis to be repaid by the levy of property taxes over a period of up to 20 years. The anticipated interest rate is approximately 6.13% true interest cost (TIC). The actual rate will be determined by the bond market. At 6.13% TIC, total anticipated payment over 20 years will be \$9,463,462. The average annual levy is anticipated to be \$475,650. The first year tax rate for bond repayment is estimated to be 41.8¢ per \$1,000 of assessed value.

PASSED AND APPROVED this 29 day of August, 2000.

  
Mayor

ATTEST:



City Recorder

gff/acm/65021/juniorhighbond.re4(8/29/00)

EXPLANATORY STATEMENT  
BOND - JUNIOR HIGH

A “YES” VOTE ON THIS MEASURE IS A VOTE TO INCREASE TAXES

If approved, this measure proposed by the City Council authorizes the City to issue \$5,500,000 in general obligation bonds to fund the purchase of the Milwaukie Junior High School property. The bonds would be repaid over 20 years from taxes on property within the City of Milwaukie.

The Milwaukie Junior High School site is designated as an historic property by the Milwaukie Comprehensive Plan. Under the Owners Consent Law of 1995, if the property is purchased by a private party, the building could be torn down and the property fully developed as offices and multi-family housing. The City Council has recognized this building as one of the most notable buildings of the downtown Milwaukie area.

Of those surveyed, 73% supported the City reusing the Junior High School property as a community center.

The funds from the bond sale would pay for acquisition of the Milwaukie Junior High School building and surrounding property. The funds may also be used for improvements to the property, which will be developed as a community center and park, including athletic fields. Full development of the site as a community center and park will require additional expenditures in the future.

The cost of taxes to repay the \$5.5 million in bonds for the first year is estimated to be 41.8¢ per \$1,000 of assessed value. The amount is projected to be reduced annually and reach approximately 25.3¢ per \$1,000 in the 20<sup>th</sup> year. Average cost of taxes over the 20 year repayment period is estimated to be 33.5¢ per \$1,000.