

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

INDEX TO THE MINUTES
REGULAR MEETING

March 11, 2013

Board
Action
Number

Page

Other Matters Requiring Board Action

4737	Authorizing to enter into Agreements for the Lease of the Foster School Housing Tract to the City of Portland and Sub-lease to Native American Youth and Family Center (NAYA)
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March 11, 2013

OFFICE OF THE BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
BLANCHARD EDUCATION SERVICE CENTER
PORTLAND, OREGON

A Study Session of the Board of Education came to order at 6:01pm at the call of Co-Chair Greg Belisle in the Board Auditorium of the Blanchard Education Service Center, 501 N. Dixon St, Portland, Oregon.

There were present:

Pam Knowles - *absent*
Ruth Adkins
Bobbie Regan
Trudy Sargent
Martin Gonzalez, Co-Chair - *absent*
Matt Morton -
Greg Belisle, Co-Chair

Alexia Garcia, Student Representative - *absent*

Staff

Carole Smith, Superintendent
Caren Huson-Quiniones, Board Senior Specialist

PUBLIC COMMENT

Rob Johns, Benson Tech Alumni Association, stated that students apply from all neighborhoods of the city to attend Benson. But it has a restrictive enrollment policy, allowing only 260 students this year. At least 440 students want to attend Benson this fall. The enrollment cap does no one any good.

Steve Buel quoted the first amendment and added that the public had the right to assemble on District property, such as when the Student Representative held a press conference in front of the BESC. The Superintendent sent police to make sure everyone stayed off District property. A person can certainly be in a public building that they paid taxes for.

Tom Koehler urged the Board to rethink the enrollment cap at Benson High School. Their success with CTE and the demand from students to attend speaks volumes. CTE works for boys at risk and it creates a strong partnership with businesses. If the Board was serious about equity, they would lift the enrollment cap.

Scott Bailey thanked the Board for the end result of the Jefferson Enrollment Balancing as it was aligned with the community proposal. However, the process to get to that resolution was not well run. Will the District do an evaluation of the process to obtain lessons learned? One thing that was not addressed in the process was the quality of leadership in the school buildings.

Aubrey Pagenstecher addressed the pros and cons of Early Learning Centers. It made more sense to have the Pre-K at the neighborhood school so that parents are not meeting several people and it helps them with transportation. She hoped that any future discussion on Early Learning Centers would include teachers and parents.

March 11, 2013

FOSTER LONG TERM LEASE

Co-Chair Belisle announced that Director Morton had not participated in any of the discussions on this topic.

Bob Alexander provided background information on the lease. Ray Espana and Michele Osborn of NAYA stated that they were very excited to develop this project; it will directly benefit some of the most vulnerable children and elders in their community. Shannon Callahan from Commissioner Saltzman's office thanked PPS for their partnership with NAYA, and that the City was proud to be part of the Early Learning Center and housing project.

BUDGET FRAMING MESSAGE

Superintendent Carole Smith reported that she would prepare a budget based on the equivalent of \$6.75 billion in funding for K-12 schools for the coming biennium, as proposed by legislative leaders on March 4th. She also outlined her budget priorities and invited community and staff input.

Superintendent Smith added that three priorities would shape her proposed budget: maintain focus on strategies that are helping the school district improve student achievement, as measured by the PPS Milestones framework and the school district's achievement compacts with Oregon; invest any available funds through increases or savings in targeted strategies to accelerate student achievement gains; and, maintain a focus on equity in budgeting decisions.

2013-2014 BUDGET – PROGRAM OVERVIEW

FAMILY ENGAGEMENT

Reiko Williams, Community Involvement, reported that a strong vision in how we engage families was needed and provided a PowerPoint presentation.

Director Regan commented that last year, the Board talked about having more staff vs. external resources and wanted to know if one was better than the other. Superintendent Smith responded that it was not either/or; internal staff and outside partners are working together. Director Morton mentioned that family engagement as a whole has improved over the past year. Ms. Williams stated that the District needs to be clear on its vision for family engagement and the principles that will support the vision. Director Regan questioned if the District provides any teacher or principal training around family engagement. Superintendent Smith responded that staff was in the process of identifying those things that we would like to see in the teacher preparation program. Co-Chair Belisle asked if there was anything in the administrator evaluation about family engagement. Ms. Williams responded yes, that it was in one of the five strands. Dunya Minoo, SES Program Manager, added that staff will host a family engagement summit where principals will be the main attendees.

EARLY LEARNING

Harriet Adair, School and Operational Support, provided a PowerPoint presentation.

Director Regan stated that the map provided was helpful in highlighting how poverty in Portland has shifted to the east/southeast. Ms. Adair commented that we were becoming pinched for space at Kelly and Creative Science School and that staff was looking for locations in deep southeast where we could place classrooms; the priority is to find a facility

Director Sargent mentioned her concern about the summer program as we do not have the money to provide Pre-K for all the students we would like to provide it to, and questioned how we were doing in

March 11, 2013

meeting the need. Nancy Hauth, Program Manager, responded that previously, staff piloted a program in August 2010 at Woodmere and Whitman with a robust children and parent curriculum. It was for those children who have not had Pre-K, and it was a 3-week curriculum about kindergarten and expectations. The core of all the work is the SUN community schools. In addition, the Multnomah County Library was a big partner and they provided literacy for the parents.

Co-Chair Belisle commented that full-day kindergarten really does close the achievement gap and asked how staff was aligning early childhood learning with ELL and immersion programs. Ms. Adair responded that a member of her team is from the ESL department, so they were working closely together. We have discussed language development and aligning with those services.

Director Regan stated that she did not think the Board has had enough public discussion about central hubs vs. neighborhood schools.

NUTRITION SERVICES – 2013-2014 LUNCH PRICES

David Wynde, Deputy Chief Financial Officer, reported that staff has set the price for school meals for those who are not on free or reduced lunch. The new price will be part of the Superintendent's proposed budget.

CAPITAL BOND ISSUANCE

Mr. Wynde reviewed a PowerPoint presentation with the Board in regards to the issuance of capital bonds. Director Sargent questioned the cash flow projections as there is a long period of time before we will be spending a huge chunk of the first bond issuance. Mr. Wynde responded that the last thing we wanted to do was not have funds available when the huge chunks of work do occur. CJ Sylvester, Chief Operations Officer, added that in 2013-2014, we will be in the design phase; in 2015, the Board will really see the money being spent when major construction begins.

2012-2013 BUDGET AMENDMENT NO. 2

Mr. Wynde explained that the 2012-2013 Budget Amendment No. 2 would amend the current year budget to reflect the fact that we will receive capital bond proceeds and spending some of that money.

Director Regan requested a report on what we are saving annually due to the boiler burner conversions. Ms. Sylvester responded that 33 schools were completed and that the District saved \$1.8 million in heating costs.

FIRST READING – POST BOND ISSUANCE POLICY

Neil Sullivan, Chief Financial Officer, stated that the first reading of the Post bond Issuance Policy was before the Board, in addition to an Administrative Directive.

ADJOURN

Co-Chair Belisle adjourned the meeting at 9:04pm.

March 11, 2013

Other Matters Requiring Board Action

The Superintendent RECOMMENDED adoption of the following item:

Number 4737

During the Committee of the Whole, Director Regan moved and Director Adkins seconded the motion to adopt Resolution 4737. The motion was put to a voice vote and passed by a vote of 4-0 (vote: 4-yes, 0-no, with Director Morton abstaining and Directors Knowles and Martinez absent and Student Representative Garcia voting yes, unofficial).

March 11, 2013

RESOLUTION No. 4737

Authorization to enter into Agreements for the Lease of the Foster School Housing Tract to the City of Portland and Sub-lease to Native American Youth and Family Center (NAYA).

RECITALS

- A. There is a shortage of appropriate facilities to house and mentor foster children and adoptive families in the greater Portland area. Native American children in particular are overrepresented in the foster care program and are less likely to succeed if they remain in a foster setting.
- B. As a condition of this housing, parents either adopt or bring into permanent guardianship hard-to-place children who are in foster care as identified by the Oregon Department of Human Services.
- C. Intergenerational housing is a way to increase a child's success, utilizing seniors as mentors for children.
- D. Bridge Meadows, at the former Ball Elementary School site, is an intergenerational housing model that has been extremely successful in providing a stable platform for children's growth with a community that has developed and sustained an intergenerational neighborhood for adoptive families of foster children.
- E. The Native American Youth and Family Center (NAYA) is seeking to develop this intergenerational housing model at the Foster School site.
- F. The Portland City Council authorized a memorandum of understanding (MOU) in May 30, 2012, with PPS which provided for a long-term lease on the eastern portion of the Foster School Site for development of an intergenerational community by NAYA, comprising approximately 2.16 acres of unimproved land referred to as the "Housing Tract".
- G. The MOU projected an overall contribution of \$5,000,000 to PPS to help with budget shortfalls, \$500,000 of which would be as payment for this Housing Tract lease.
- H. On October 1, 2012, the City and PPS executed an intergovernmental agreement (City contract no. 30002964/PPS contract no. 59403) regarding the City's commitment to provide \$500,000 in funding in exchange for leasing of the Housing Tract so that the City may in turn sublease the Housing Tract to NAYA.
- I. The MOU contemplates that PPS would also enter into separate agreements with NAYA to jointly operate the existing school building and school grounds (or a replacement school and grounds) as an early childhood education center. These other agreements will consist of a lease of approximately 40 percent of the Foster School site, the "School Lease", and a "Joint Operating Agreement" which will be considered at a later date.

RESOLUTION

The Board hereby authorizes the following:

- 1. The District Contracting Officer shall execute the Lease to the City of Portland and City's Sublease to the Native American Youth and Family Center (NAYA) of the Housing Tract described above located at the Foster School site for the purpose of providing intergenerational housing in support of adoptive parents of foster children on the terms and conditions described in the Summary of Terms of the Foster Site Ground Lease and Sublease Agreement attached

March 11, 2013

hereto as Exhibit A or on such other substantially similar terms as the Superintendent may determine to be in the best interest of the District.

2. The District Contracting Officer shall execute any other documents required in conjunction with this transaction for the purposes of fulfilling the lease terms.

C. Sylvester / B. Alexander

Exhibits

- A. Foster Lease Summary

**SUMMARY OF TERMS
OF
FOSTER SITE GROUND LEASE AND SUBLEASE AGREEMENT**

	Description
Landlord:	School District No. 1J Multnomah County, Oregon ("PPS")
Tenant:	City of Portland (the "City")
Subtenant:	Native American Youth and Family Center ("NAYA")
Nature of Transaction:	Long-term lease of land to the City and simultaneous sublease to NAYA, with option to purchase. NAYA to construct housing and enter into joint operating agreement for Foster School.
Leased Premises:	2.16 acres of vacant land located immediately east of Foster Elementary School at 5205 S.E. 86 th Avenue, Portland, Oregon.
Due Diligence:	NAYA to have up to four years to perform due diligence and obtain financing and building permits.
Lease Term:	65 years, with an option to renew for an additional 34 years (99 years in total).
Base Rent:	\$500,000 to be paid by the City upon signing of Lease; no monthly base rent during initial term or renewal term.
Additional Rent:	During the term of the Lease, NAYA is solely responsible to bear all costs for repair, maintenance, utilities, insurance, and taxes (if any).
Option to Purchase:	NAYA shall have the right to purchase the leased premises for one dollar (which is the estimated reversionary value of PPS's fee title interest) at any time after the 15 th year of the Lease, subject to the following conditions: (1) NAYA is not in default under the Lease; (2) PPS has determined that the Project is successfully operating; (3) PPS has declared the land to be surplus and no longer needed for school district purposes; and (4) NAYA has completed a partition such that the Housing Tract is a separate legal lot. PPS will retain the right to use any community center if the leased premises are sold to NAYA.
Improvements:	NAYA to construct an intergenerational housing community, including 9 to 15 residences for foster children and 25 to 40 living units for senior and mentor households. Construction must commence within four years of signing of Lease and be completed within two years thereafter. If sufficient financing is available, the Project will include a community center that will be available for use by PPS. PPS to have pre-approval rights over site plan for Project and plans for community center.
Leasehold Financing:	To obtain funds for building the Project, NAYA may mortgage its leasehold interest, but such mortgage shall not encumber PPS's fee title to the land.
Low-Income Housing Tax Credits:	Although not required by the Lease, it is anticipated that low-income housing tax credits may be used to finance in part the Project. If so, the Project will be subject to a 60-year covenant that it be used exclusively for low-income housing.
City's Responsibilities:	Other than payment of the \$500,000 prepaid rent, the City is not responsible for performing the tenant's obligation under the Lease.
Default by NAYA:	Lease includes standard remedies for a default by a tenant.
City's Rights Upon Termination of NAYA's Lease Rights.	In the event NAYA's rights under the Lease are terminated due to NAYA's default or its election to terminate following a major casualty or condemnation, the City shall retain its leasehold interest. The City and PPS have agreed to cooperatively work together to attempt to find another operator to replace NAYA. Until such replacement operator is secured, the City and PPS shall share costs related to the Project.
School Lease and Joint Operating Agreement Contingency:	PPS and NAYA agree to attempt to negotiate by June 30, 2013, the terms of agreements whereby NAYA will lease a portion of the Foster School and jointly operate the Foster School as an Early Learning Center with PPS. If these agreements cannot be reached within 12 months after signing of the Lease, either party may terminate the Lease.