



Preservation, Maintenance, and Disposition of District Real Property

~~DEC 30~~OCT 18 2020 DRAFT

~~The Portland Public Schools Board of Education recognizes that the District's real property assets have been bequeathed entrusted to us by previous generations to serve the students of Portland. We, therefore, have a fiduciary responsibility to preserve and maintain them in a manner that will the District's real property assets to serve current students and to ensure that the District can is able to serve not only its current students, but also students of future generations for decades to come.~~

~~The Portland Public Schools Board of Education acknowledges that the District's real property assets are on the traditional land of the Chinook, Clackamas, Kalapuya, Multnomah, Wasco, Kathlamet, Tualatin, Molalla. We also know that many other tribes made their homes along the Columbia and Willamette Rivers. We also recognize the robust present-day federally recognized tribes of this area: the Grande Ronde, Siletz and Cowlitz, and the Native American community, representing more than 380 tribes that have made the City of Portland one of the top 25 cities with the largest American Indian/Alaska Native populations. We honor their history and acknowledge the sacrifices they made.~~

~~We acknowledge that federal, state and local governments supported the invasion and dispossession of Native People's lands and the institutionalized practices of the removal and displacement of Native people from their lands. Additionally, PPS acknowledges that Portland institutions and citizens participated in redlining and structurally organized policies, zoning and planning that restricted or prevented set back the ability of Black, Indigenous and communities of color to participate economically and own from land ownership, and led to their disproportionate displacement through "urban renewal" or gentrification. real estate assets.~~

~~For that reason, transactions involving the District's real property shall preserve as much as possible the District's ability to use assets for its own to serve students enrolled its schools and programs and educational services now and in the future and, eOnly on rare occasions, will the District sell a property without replacing that property with an equivalent or better property.~~

Duty to Maintain and Preserve Real Property

~~With the recognition of our role, we know that as current caretakers of this ancestral land, the District recognizes its fiduciary responsibility to preserve and maintain its real property assets in a manner that will serve current students and future generations.~~

~~Only on rare occasions will the District sell a property without replacing that property with an equivalent or better property.~~



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The Board of Education recognizes that the District's real property assets must be maintained in a sufficient physical condition to preserve their value and utility. The Board shall take necessary steps, taking into account budgetary constraints, to preserve and maintain the physical integrity of District real property.

Objectives in Real Property Transactions

District properties that are not currently needed for District purposes will be managed to carry out the following objectives:

- Reflect the District's short-, intermediate-, and long-term educational and operational needs, considering long-term population and enrollment projections for the Portland area;
- Maintain flexibility in lease terms to allow for early termination to adjust to enrollment fluctuations or other District needs for the property; and
- Provide revenue and other support for District needs; in this case, the District must seek maximum long-term financial and other benefits. The District recognizes that conveyance of real property rights-of-way or easements may be imposed as a condition of approval of District development projects without compensation or may occur for other good or valuable consideration.

Sale or Long-Term Lease of Real Property

Under ORS 332.155, the District may lease, sell, and convey all property of the District that will not be required for the District's educational purposes in the long term. In the unlikely event that District property does not support the District's mission now or in the future, the Superintendent shall recommend to the Board the disposal of such property, including a thorough analysis of the implications of any property lease or sale on fulfillment of the District's educational mission over the long term. ~~Selling Sale of a District property without replacing it with an equivalent or better property shall be a last resort be considered only in the absence of a viable alternative. — Whenever possible, Any long-term disposition of District property should take the form of a long-term lease- rather than a permanent sale. A "long-term lease" is defined as a lease of at least five years and shall provide the District termination rights in the event the property is needed for District use. Sale of a District property without replacing it with an equivalent or better property is usually disfavored and shall be considered only after assessing alternatives and determining that the District's best long-term interests are served by a sale.~~

The Board of Education directs the following:



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~~1. Superintendent's Real Property Long-Term Lease or Sale Recommendation: The Superintendent shall ~~develop and adopt an administrative directive establishing a process for developing~~ make recommendations to the Board on the long-term lease or sale of any District property. ~~The process shall include at a minimum the following components:~~~~

~~a. Notification of the Board of Education.~~

~~b. A summary of the factors considered in the development of the recommendation, including an analysis of implications for the District's ability to fulfill its responsibilities in the short-, medium-, and long-term; and a market and needs analysis.~~

Sale of District Property Recommendation-Public Hearing: Any process to consider the sale of the property shall be a transparent and public process, and at least one public hearing shall be held by the Board prior to declaring any real property or portion thereof appropriate prudent and necessary for sale. In the unlikely event If the Board determines that it is prudent or necessary to sell a District property, ~~is appropriate for sale~~, it shall pass a resolution identifying the property, how relinquishing property promotes both the District's mission and the public interest, and the terms and conditions under which it may be sold. -

~~2.1. In the unlikely event that a sale is deemed necessary or prudent, every effort should be made to ensure that the property remain within the public domain in perpetuity in support of the public good as originally intended.~~

2. Sale process: Once ~~the property is~~ the Board declares ~~that it is prudent or necessary to sell a District property appropriate for sale by the Board~~, the Superintendent, or such persons as may be designated by the Superintendent, shall establish and conduct a process for sale or other conveyance of the property. The Superintendent will market and negotiate a proposed sale or other conveyance of the property and bring a recommended agreement to the Board for the Board's review and approval.

~~3.~~

Presumption of Market ~~Rate~~ Terms:

When selling, leasing, or otherwise entering into transactions involving real property, the District shall pursue maximum market value and other then-current market terms. ~~U~~ nless the Board adopts a resolution that makes an express finding that the disposition transaction involving of District property for less than market terms rate



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confers significant benefit to the District and the communities it serves, ~~the District shall pursue maximum market value for any sale, lease, or disposition under this policy.~~ Any express finding justifying less than market terms shall be under exceptional circumstances, consider the following factors or combination of factors, and be assessed through the PPS Racial Equity & Social Justice lens:

- a. Extraordinary ~~General~~ economic or other unusual ~~conditions~~ circumstances beyond the control of all parties (“Extraordinary Circumstances”). In this case, the other party must provide ~~documentation~~ evidence of the impact of these circumstances on ~~their~~ its financial status, ~~evidence of prior prudent efforts to manage risks and impacts, and of efforts made to explore options other than financial or other relief from PPS~~ the District, ~~such as recession or pandemic~~
 - b. The costs and/or benefits to PPS the District of offering below-market terms.
 - c. ;
 - a. The communities being served by the other party include a substantial proportion of underserved students: students of color; students whose families qualify for free or reduced lunch, students with special needs, emerging bilingual students, ~~and/or~~ LGBTQ students; ~~and~~
 - d. Official ~~c~~Connection of the other party to the District or its students (e.g., PPS charter school, an organization providing direct services to PPS students); and
 - e. The party on the other side of the transaction is a public entity that intends to actively use the property for public purposes.
4. —

To the extent any below-market terms under a lease are granted, the District shall define the time period under the lease during which the below-market terms are effective, after which by PPS because of Extraordinary Circumstances, the below-market terms shall be limited to the period of time when the impacts from the Extraordinary Circumstances exist; after that, market terms shall be restored for any remainder of the lease. These factors shall ~~be applied more stringently~~ apply in the case of sale or other permanent disposition of any real property other than granting rights of way or easements that are a condition of development imposed by the authorizing governmental agency or utility. The factors set out in this section do not override the presumption of maximum market value in every circumstance, but may be considered on a case-by-case basis.



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Notwithstanding any other part of this policy, if District property -in a contemplated real estate transaction was purchased with state, federal, or private grant funds, any transaction involving the property shall be made as required in -the grant or by state or federal regulations.

The Board delegates authority to the Superintendent or his/her designee to approve and execute real estate transactions in which the total value of the transaction is at or below applicable delegation thresholds for District expenditure and revenue contracts, as set forth in PPS Public Contracting Rule 45-0200 (Authority to Approve and Execute District Contracts), in which conveyance of real property rights-of-way or easements is imposed as a condition of approval of District development and maintenance projects, and-or in which the transaction can be terminated by the District within ~~3~~90 days or less. All other real estate transactions shall require Board approval. The Superintendent will provide a quarterly report to the ~~b~~Board regarding leases signed below the delegation threshold.

Legal References: ORS 271.330 ORS 332.155

History: Adopted 6/71; Amended 12/13/76; Amd. 8/28/78; Amd. 10/13/83; Amd. 8/31/95; Amd. 10/28/02 BA2463; Amd. 1/12/09 BA 4019; Amd. 11/13/18; Amd. _____.