



Preservation, Maintenance, and
Disposition of District Real
Property

A. Land Acknowledgment

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, and Molalla tribes. 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 also 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 Black, Indigenous, and communities of color from land ownership and led to their disproportionate displacement through "urban renewal" or gentrification.

B. Duty to Maintain and Preserve Real Property

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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 the District's real property assets in a manner that will serve current students and to ensure the District can serve its students for decades to come. For that reason, future generations, including keeping land in the public domain.

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

A. Duty to Maintain and Preserve Real Property

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



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Board shall take necessary steps, taking into account budgetary constraints, to preserve and maintain the physical integrity of District real property.

C. 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 also 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.

D. Sale of Real Property

Under ORS 332.155, the District may lease, sell, and convey all property of the District



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~~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 and is not expected to 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 sale on ~~fulfilment~~fulfillment of the District's educational mission over the long term. ~~Selling a District property without replacing it with an equivalent or better property shall be a last resort.~~~~

~~The Board of Education directs the following:~~

- ~~1. Superintendent's Real Property Sale Recommendation: The Superintendent shall develop and adopt an administrative directive establishing a process for developing recommendations to the Board on the 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 a market and needs analysis.~~~~

~~Sale of District Property Recommendation-Whenever possible, any long-term disposition of District property should take the form of a long-term lease rather than a 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. Whenever possible, any District property sale should be to a public entity that intends to actively use the property for public purposes or that substantially advances the District's racial equity and social justice goals for public schools, including PPS charter schools provided that any transaction is structured to allow PPS to regain ownership of the real property if it is no longer going to be used for public or designated purposes.~~

1. Recommendation and Sale Process

- ~~a. Sale of District Property Recommendation: The Superintendent shall make recommendations to the Board on the sale of any District property, including an analysis of~~



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implications for the District's ability to fulfill its responsibilities in the short-, medium-, and long-term; and a market analysis.

2.b. 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. If in the unlikely event 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.

3.c. Sale process: Once the property is declared appropriate for sale by the Board Board declares that it is prudent or necessary to sell a District property, 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.

E. PPS Leases

1. Presumption of Market Rate: Unless Terms:

When entering into leases involving real property, the District shall pursue maximum market value and other then-current market terms, unless the Board adopts a resolution that makes an express finding that the disposition of transaction involving District property for less than market rate terms (1) confers significant benefit to the District and the communities it serves, the District shall pursue maximum market value, including, but not limited to whether the transaction advances the goals of the District's Racial Educational Equity policy; and (2) is with another party with an official connection to the District or its enrolled students or students expected to enroll in PPS (e.g., PPS charter school, an organization providing direct services to PPS students, or a prekindergarten or head start program). Any express finding justifying less than market terms shall also consider the factors or combination of factors below and be assessed through the PPS Racial Equity & Social Justice lens.

a. Extraordinary economic or other unusual circumstances beyond the control of all parties ("Extraordinary Circumstances"). Under this factor,



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the tenant must provide evidence of the impact of Extraordinary Circumstances on its financial status, prior prudent efforts to manage risks and impacts, and efforts made to explore options other than financial or other relief from the District.

b. Offering below-market terms confers significant benefit to the District or its students, and those benefits substantially outweigh the costs of below-market terms; and/or

c. 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, or LGBTQ students.

d. _____

4. To the extent any sale, lease, or disposition below-market terms under this policy a lease are granted, the District shall define the time period under the lease during which the below-market terms are effective, after which market terms shall be restored for any remainder of the lease. 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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F. Compliance with Grant Agreements.

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.

G. Delegation of Authority for Certain Transactions

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) ~~and~~; in which conveyance of real property rights-of-way or easements is imposed as a condition of approval of District development and maintenance projects; or in which the transaction can be terminated by the District within ~~30~~90 days or less. All other real estate transactions shall require Board approval. The Superintendent will provide a quarterly report to the ~~board~~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. .