



District Administration Office
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Alsea Bond Project Update 8/1/2022

- Please refer to the April 12, 2022 Bond Re-Prioritized Project list from Scott Marshall
 - This list depicts where estimated scope of the bond project was at that date and time
- Problem:
 - Bids are coming in much higher than expected, squeezing available bond & district dollars
 - Panel & Hallway \$298K -> \$675K (\$820/ft²)
 - VOC Center \$1.5M -> \$2M
 - Difficulties trying to find sub-contractors still exists
 - Building permits have passed all channels of Benton County except for one, Benton County Public Works associated with the completion of handicapped safety crosswalks for the Pre-School.
- Options:
 - **Reduce the scope again of the project by prioritizing what the bond can afford**
 - **Cancel the project and send the money back to the voters**
 - This would constitute Legal Defeasance
 - Bond have already been sold to investors
 - The district is on the hook for a return of investment over the life of the bonds sold
 - District would create an escrow account
 - District would have to cover the bond investment interest by either:
 - Contributing district dollars, or
 - Approving a new tax levy to cover the costs
 - According to DA Davidson, this total cost would be:
“Given the low interest rate on the bonds (i.e. 3%) and the now elevated rate of investment in Treasury bonds (2.60%), the cost of defeasing the District’s GO bonds maturing 2023 to 2030 and prepaying the 2031 to 2045 bonds on 6/15/2030 would be \$2,157,040. This cost would not include the legal and verification costs of executing the defeasance.”
- **What about constructing a metal pole building for the VOC center?**
 - According to Scott Marshall, public school building have to be constructed with some of the highest safety ratings according to building standards
 - A good source of reference is:

<https://codes.iccsafe.org/content/OSSC2019P1/chapter-16-structural-design>

Other safety standards to reference include:
2021 Oregon Plumbing Specialty Code
2019 Oregon Mechanical Specialty Code

2019 Oregon Fire Code
2021 Oregon Electrical Specialty Code
2021 Oregon Energy Specialty Code (2019 ASHREA 90.1)

- Once a pole building is built in accordance to the above safety standards, the cost is about the same with lesser of a product

What about the district acquiring their own sub-contractors?

- The district most certainly could, but then the district would have to initiate their own RFP process and take over managing the project. The district is in the business of educating students, not negotiating the contractor-build world
- **Budget:**
 - \$4.3M of both bond and OSCIM state matching grant dollars available
 - Spent >\$368K already as of 4/12/2022
 - Board approved \$474K of unappropriated dollars to be dedicated to the bond project
 - ESSER III dollars can provide \$163K to air quality enhancement (i.e. HVAC)
- **Budget Timeline:**
 - State matching OSCIM grant dollars must be 100% spent by March 2024, else the district loses those dollars
 - Bond levy dollars must be 85% spent by April 2024 unless there are special circumstances. An extension is not guaranteed.
- **Superintendent Recommendations:**
 - The district needs to re-prioritize the 4/12/22 list as recommended by Scott Marshall and approved by the Bond Oversight Committee (BOC) and the Board of Directors.
 - This needs to be a joint team decision by BOC and Board of Director members, and then approved by the Board of Directors
 - Difficult decisions will have to be made
 - Sacrifices have to be carefully weighed
 - The district is under a timeline
 - Both Scott Marshall and CB Construction need detailed directions on how to proceed. The district is on the eve of moving dirt, materials, and crews. Without a clear direction the district risks unnecessary costs & work being performed.