



Executive Summary

The **Portland Public Schools Long Range Facilities Plan** builds on several years of work by hundreds of people. Those individuals are inside and outside the Portland Public Schools District, both paid and volunteer.

Overview

Two trends will shape the future of Portland schools: school age **population is dropping** and **learning is changing**. In ten years, Portland's schools will have 4,500 less students, be under more pressure to perform for all students and deliver personalized learning, be faced with new technologies, periodic shortages of teachers, and a continually shifting student population.

Three lessons surface from the analysis for this plan: the importance of **environmental quality**, **sustainability**, and **systematic management**. These trends and lessons lead to four logical facilities objectives:

1. **Learning** comes first;
2. **Flexibility** for the future;
3. **Annuity** — annual resources for education;
4. **Quality** in all investments.

Strategic actions include both **operations** and **facilities**. Operations policies include clarification of existing policy, as well as immediate, mid-term, and long-term actions. Facilities policies suggest a five step approach to categorizing and managing School District properties. The District should:

1. **REDUCE** its current inventory of properties to save current operations expenses and produce future net revenue.
2. **REUSE** many facilities in creative ways, including multiple uses within single buildings, more efficient use of buildings, leasing space when appropriate, adjusting boundaries, and relieving crowding when needed.
3. **RECYCLE** a few properties where the value of the land is disproportionate to the current value of the building and/or where the building does not serve its educational programs.
4. **RETAIN** a portfolio of property that is currently leased or in non-traditional school use in order to have a reserve available in case of future facilities crises.
5. And perhaps most importantly, routinely **REINVEST** in its facilities to respond to future events and ensure an ongoing legacy of quality education for future generations of Portland children.

Current Process

During 1999, 2000, and 2001 dozens of public hearings, public meetings, community discussions, technical reviews, and other conversations have thoroughly vetted the concepts presented herein. Innovation Partnership



drafted this document under the supervision of Portland Public Schools facilities staff, the School Board, and three volunteer committees.

This **Discussion Draft** is intended for review and comment by interested parties inside and outside the School District.

Comments should be directed to Ryan Mottau at Innovation Partnership (503-223-4475, fax: 503-223-6001), ryan@innovationpartnership.org, to Stacey Balenger at Portland Public Schools (503-916-3401, fax: 503-916-3161, or to any School Board member. Comments will be received through Monday, February 11, 2002, discussed at the School Board's Budget, Finance and Operations Committee that evening and then incorporated into a final draft which goes to the School Board for adoption on Monday, February 25, 2002.

Background

This Long Range Facilities Plan builds on several years of work by hundreds of people. Those individuals are inside and outside the Portland Public Schools District, both paid and volunteer.

Best Use of Facilities Study

The most recent look at the complicated set of Portland Public Schools property issues is the Best Use of Facilities Study. A 35-member task force met monthly between June of 2000 and March 2001 and twice went out into the community with a series of informational and feedback meetings at the high schools central to each 'cluster' of schools. This process built heavily on work instigated by two earlier reports, the KPMG Comprehensive Performance Audit and the Audit Implementation Steering Committee. As an outgrowth of previous work, the Best Use Report is clearly the most informed effort to address the many issues related to Portland Public Schools buildings and property. Sources such as the Oregon Database Initiative and Portland State University Population Research Center allowed the Task Force members to clearly conceptualize the problem.

Recent Facilities Work by District Staff and Innovation Partnership

As the Best Use of Facilities Task Force wrapped up its look at the District's facilities issues, Innovation Partnership was preparing to carry this work forward. The one thing that was very clear at the conclusion of the Best Use process is the District had a wide variety of issues to deal with; most connected directly to the core competency of setting and evaluating educational policy. However, there was also a set of issues that dealt with the implications of student population decline on the District's real property. In June of 2001, the District approved a budget that eliminated the spending gap in operations and maintenance, identified by the Best Use Task Force. This move has helped the District move away from its reliance on short-term funding, but has put more pressure on the facilities to generate revenue.

Establishing a Portland Schools Real Estate Trust

In response to a projected budget shortfall, Portland Public Schools staff had identified a number of properties that were considered in excess of what was needed for the educational program and could be disposed of to generate revenue. The funds will be channeled through a new independent non-profit organization that will act as the District's real estate specialist, to manage the development in a way that best benefits the needs of Portland Public Schools.



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This concept of a Real Estate Trust, to serve the District's need for professional real estate assistance, originated with Paul Hill in his work at the Brookings Institute and the University of Washington's Center for Reinventing Public Education. A Real Estate Trust would:

- Generate Annual Net Revenue for Portland Public Schools;
- Create future flexibility in property management for Portland Public Schools; and
- Allow Portland Public Schools to focus its energies on its educational mission, rather than on the technical and community issues related to real estate.

Portland Public Schools Strategic Plan

In July 2000, Portland Public Schools adopted a Strategic Plan outlining strategies for the District's schools. Several educational trends and District priorities that are contained in the Strategic Plan have major facilities implications; other general implications also have facilities consequences. These include:

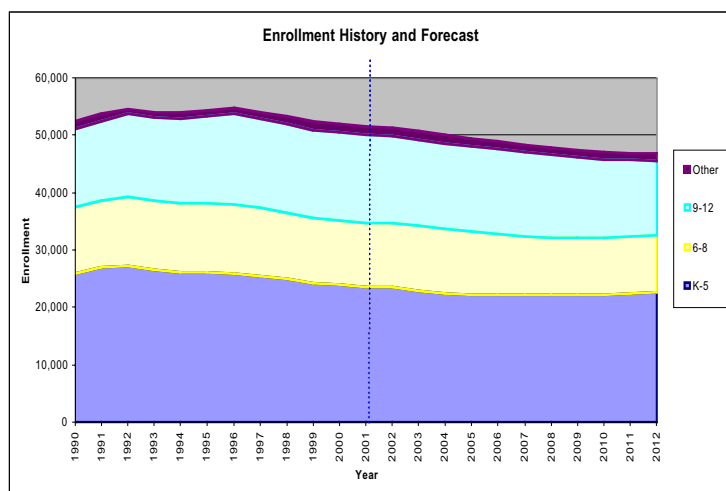
- Smaller schools
- All-day Kindergartens
- Smaller class sizes, especially elementary
- Community uses that assist achievement
- Business as partners in instruction in the workplace
- Increase use of technology and distance learning



Important Trends

Population is Dropping

The Population Center at Portland State University is nearly ready to release an update of these forecasts based on September 2001 enrollment and the 2000 Census. In this **DISCUSSION DRAFT** report, District-wide forecasts are based on the new numbers. School-by-school forecasts, however, are still based on last years' report. These will be updated as new numbers become available from Portland State University.



These data show that District enrollment fluctuated up and down from 1990 to 1996, then began a steady decline of about 650 students per year beginning in 1996-97. Forecasts predict that enrollment will continue to decline over the next decade by an average of 450 students per year to a District total enrollment of 45,884 in 2012, as compared to 51,650 in the fall of 2001 and 52,353 in 1990. If enrollment per school were held constant, this would mean closure of a little less than one school per year for each of the next ten years.

Learning is Changing

Rather than taking its current buildings as givens, Portland Public Schools can let innovations in instruction and learning drive the design and use of its facilities in the coming decades. With this in mind, this chapter identifies five trends in education that can guide District leaders as they think about what kinds of buildings and spaces they will need for tomorrow's schools. The five trends are:

- Pressure on schools to perform for all students, not just those who learn best in traditional settings;
- Demands for the personalization of learning, so that every child has a chance to learn and families have choices;
- New technologies that will change how teachers teach and students learn;
- Periodic shortages of teachers (and school leaders) linked to swings in the economy; and
- Shifts in student population and residency patterns that will affect not only the demand for schools, but also the demands on schools.



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Important Lessons

Environment and Sustainability Matter

*We do not inherit this land from our ancestors;
we borrow it from our children.*

– Haida Indian saying

The discussion and practice of sustainability is rapidly increasing in our society. Individuals, small businesses, large corporations and public institutions of all sizes are re-examining their actions and looking for more sustainable ways to conduct themselves and their activities. Sustainability is defined as: “*Development that meets the needs of the present without compromising the ability of future generations to meet their needs.*”

Those who are pursuing sustainability are not acting solely because it is the right thing to do. Many of the companies adopting sustainable business practices are measuring their future success against the “triple bottom line” of economy, community and the environment. They recognize that in taking a long-term view, they must make progress in each of these three areas in order to be successful in any one of them.

Likewise, there are three main synergistic reasons for taking a sustainable approach in the management of Portland Public School’s facilities:

- Improving Student Performance and Health
- Improving the District's Financial Performance
- Improving Community Connections

Considerable progress has already been made toward sustainability. Over the last year, the District was able to avoid more than \$500,000 in utility costs through conservation. Energy consumption is down more than 20%, with more than \$9,000,000 saved over 8 years.

Student performance can also be supported through sustainability and high performance schools measures. For example, the average middle school that incorporates daylighting will likely save \$500,000 over the next 10 years, **and** student performance has been shown to increase 26% through high performance schools measures.

Management Issues

As discussed earlier, school population and enrollment forecasts are a primary driver of Portland Public Schools facilities work. For the purposes of this plan’s findings and recommendations, the following are the most salient facts.

- Portland’s school age population is dropping, and its needs are changing. PSU projects that enrollment for the District will drop by about 5,800 students (11%) between 2001 and 2012. At current school enrollment levels, this equates to ten or eleven schools, or one each year.
- Portland Public Schools’ existing open enrollment system means that the intensity of a facility’s use is not directly proportional to the fluctuations in its surrounding neighborhood population. At the same time that some buildings are underused, others are overcrowded.
- Portland Public Schools existing special focus programs are competing successfully with traditional schools within the District and with programs in other Districts. Several small elementary schools currently share



facility space with magnet or other special programs. In many of these instances, the constant or growing enrollment in the special program offsets declining enrollment in the neighborhood school.

- Portland Public Schools has shrinking enrollment and resulting excess facilities capacity, but not enough money to maintain what it has. It can't levy taxes for that maintenance, but could to build new buildings. Nevertheless, the District does and will spend millions of dollars each year on its facilities. That investment should be strategically targeted to achieve maximum instructional benefit.
- Portland Public Schools facilities are older than most school districts in Oregon. The vast majority of Portland's schools were built during two rapid building booms, one in the 1920s (32 schools), the other in the 1950s (36 schools). The District has more buildings that were constructed before 1920 (15) than it does built since 1960 (13). Portland Public Schools has only built one school since 1970 (Forest Park, 1998).
- At the same time Portland Public Schools faces severe funding challenges, it is required to comply with many mandates from the local, state, and federal governments. Some of those most related to facilities are special education, historic buildings, and the Americans with Disabilities Act.
- Since the release of the KPMG audit, the School District has taken a number of actions to increase the efficiency of its space utilization. These efforts include selling and leasing-out surplus property, moving District programs from expensive third-party facilities into the District's own buildings, charging market-driven rates for non-District use of District facilities, and eliminating or deferring maintenance costs.

Clarify Policies

Many Portland Public Schools policies are unclear and/or inconsistently communicated. Some of these are strictly facilities issues; others are programmatic issues with facilities ramifications. The following are among the most pressing policies for clarification and communication: (1) the programmatic value of small schools, (2) the criteria for approval of transfer requests, (3) criteria for housing a new program, and (4) District policies and procedures for dealing with fluctuates among individual schools from year to year.

Community Interface

Schools present different planning and decision-making challenges than many other facilities issues because of the unique relationship between a school and its community. Almost all of Portland's school buildings are located in residential neighborhoods. This means that the school by definition has multiple constituencies, including people who live near the school, families with students in the school, alumni, those who work in the school, and those who are active in groups that use the school building regularly, as well as the public at large. Each of these constituent groups has a distinct perspective on a school's present and future program and facility. In all, school facilities decision makers must balance short-term needs with long-term benefits, and understand that no decision will ever please everybody.

Facilities Objectives

Portland Public Schools has a number of priority objectives related to its ownership and use of facilities, whether these facilities are used as school buildings, for other District functions, or as investment properties. **Learning** is clearly the District's top priority in all its affairs, and facilities decisions should put learning first. Other important facilities objectives include future **flexibility** to allow learning to remain the top priority in changing times, an **annuity** producing annual net revenue *from* facilities *for* education, and **quality** — high quality healthy learning environments with sustainable management practices, including appropriate maintenance and reinvestment.



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Learning comes first

The mission of the Portland Public Schools is to support all students in achieving their very highest educational and personal potential, to inspire in them an enduring love for learning, and prepare them to contribute as citizens of a diverse, multicultural, and international community. As such, learning and student achievement should drive facilities decisions.

Safety and Environmental Quality

Maintaining a healthy environment that is safe for students, teachers, parents, staff members and other community members is also of primary importance to facilities policy. Issues include accessibility, seismic safety, fire and life safety, environmental quality, and high performance school environments.

Flexibility

It is impossible for the School District to predict what's coming with any certainty. As discussed in the Future of Learning chapter of this report, trends in K-12 education indicate a very different school environment in the future. It is therefore, essential that the District increase and maintain its flexibility for future unknown events. In general, the District should avoid being locked into occupying a set supply of fixed assets. Property ownership should be seen more as investment than as occupancy. Enrollment will ebb and flow District-wide and from neighborhood to neighborhood; occupancy by educational programs should mirror these trends.

Annuity

A primary purpose of this Long Range Facilities Plan is to produce annual net revenue *for* education *from* facilities. This may not be as easy as was once assumed due to recent cost cutting measures, but nevertheless, directing resources away from facilities and toward instruction must continue to be a priority. Following the advise of the Best Use of Facilities Task Force, this objective can be accomplished by:

- Reduce inventory of surplus facilities through sales and/or leasing
- Reduce operating costs
- Recover cost when opening facilities for community use
- Reserve capital gained from disposition for future flexibility

Quality

Portland Public Schools is a venerable institution with a century of service to Portland's children and families. Despite current budgetary woes, the District's leadership have inherited a proud and accomplished legacy that not only includes outstanding academic success, but an inventory of more than 100 buildings. More than half of these buildings are more than 50 years old today and most of those continue to serve the community well. That current leadership has facilities assets from which to gain annual net revenue at all is a credit to the wise investment and management of their predecessors.

Operations Policies

Portland Public Schools should take a number of actions to achieve its property objectives of learning, flexibility, annuity, and quality. First, the District should clarify existing policy and actions already taken. There are further actions that can be taken immediately, and some that require mid- to long-term implementation due to their complex and/or controversial nature.



Clarification of Current Facilities Policies

The following are already Portland Public Schools administrative policies, but there has been confusion about the policy and inconsistency in implementation. These include: (1) special education students should be served in their 'home' cluster, (2) multiple schools can operate within a single facility, and (3) programmatic choice for parents and students.

Immediate Policy Recommendations

The most certain forecast for Portland's schools is change. Populations will change. Educational best practices will change. Funding levels will change. Technology will change. Everything will change, and change is happening faster all the time. As such, Portland Public Schools needs to increase and protect its future flexibility. Flexibility will allow the District to adapt as times change.

Portland Public Schools can only achieve its facilities objectives if decisions are made at or near the locations they affect. This means site-specific accountability, record-keeping, and incentives. Overall, a Facilities Implementation Team should be established that includes personnel from the District and the Schools Real Estate Trust, and overseen by a volunteer panel of interested individuals including but not limited to School Board members and Trust Board members.

Too few people trying to manage too many properties may explain part of this problem, but that doesn't make it right. The District must: do a better job of keeping facilities records; clarify policies in writing and make them easy to find; make facilities decisions as transparent as possible; and divide responsibilities for facilities among more people to avoid the reality or appearance of too much power in one place.

Research shows that small schools produce better academic performance than large schools. Small schools, however, do require a premium in support personnel and facility operations (unless several small schools share a larger facility). Determining whether the educational value of the small school environment is worth the cost premium is beyond the scope of this report, but is important for District policy.

Long-term Strategies

Over time, Portland Public Schools should move itself out of the facilities management business to focus on its core mission of education. A semi-autonomous non-profit entity is currently being formed to assist the School District in implementing this Plan, especially as it relates to reducing property inventory, reuse of existing facilities, and recycling land into new uses. The District should also explore ways this "Portland Schools Real Estate Trust" can provide the District with additional flexibility, annuity and quality in future facilities at the same time it allows the District to concentrate on instruction.

Properties Recommendations

At the outset of this planning process, many expected this plan to recommend widespread leasing of District facilities to private parties. Many expected this plan to lay out detailed strategies for pricing, parking, tenant selection, and other technical aspects of shared use.

Detailed analysis of the District's current inventory, however, suggests that there is less available surplus space than originally thought. Rather than closing schools or renting portions of schools to private parties, the District will get more immediate impact by vacating several non-school properties and relocating the current users of



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those facilities into the remainder of its buildings. Together with vacating the facilities identified for “inventory reduction,” it will require finding new locations for between 250,000 and 500,000 square feet of current activities. This represents 3-6% of the District’s space, and will require considerable juggling of users.

This will take a couple of years to accomplish. At that time, enrollment trends will have evolved to some extent, space usage will be clearer, and current needs and inventories should be considered anew.

Property Policies

Portland Public Schools should undertake a 5-step process of improving the flexibility, annuity, and quality of its facilities in order to better serve the needs of today’s students without compromising the ability of future generations to serve the students of their time. The District should ***reduce*** its current inventory of properties to save current operations expenses and produce future net revenue. It should ***reuse*** many facilities in creative ways, including multiple uses within single buildings, more efficient use of buildings, leasing space when appropriate, adjusting boundaries, and relieving crowding when needed. The District should explore opportunities to ***recycle*** a few properties where the value of the land is disproportionate to the current value of the building and/or where the building does not serve its educational programs. The District should ***retain*** a portfolio of property that is currently leased or in non-traditional school use in order to have a reserve available in case of future facilities crises. And perhaps most importantly, the District must routinely ***reinvest*** in its facilities to respond to future events and ensure an ongoing legacy of quality education for future generations of Portland children.



For purposes of this matrix, the following definitions are appropriate:

Reduce Inventory: Priorities for Revenue Generation

These properties present near- to mid-term opportunities to gain revenue for the District through sale or long-term lease (most do not currently house instructional activity); current activities should be fit into other facilities.

Reuse Space in Creative Ways: Priorities for Intensified or Changed Use

This category includes properties that may have room to accommodate users dislocated during inventory reduction or earn rent from outside tenants, as well as a few overcrowded facilities in need of relief.

Recycle Property into New Uses: Major Facility Redevelopment

These are properties where the land is disproportionately valuable compared to the existing building, suggesting redevelopment with a new school and possibly additional uses (none of these propose closing a school program).

Retain for Future Needs (not Currently 'Traditional' Schools)

These properties are beneficially leased to outside parties or efficiently house District functions other than neighborhood schools; they should be retained as reserve for use in case of crisis (i.e., a fire in another building).

Reinvest in the Future of Education: Priorities for Major Work and Future Reinvestment

The majority of school facilities, which are essentially full and functioning well as either Neighborhood Schools; or housing Multiple Programs. Some need major work now. All need ongoing reinvestment for the future.



Property Categorization

Reduce Inventory: Priorities for Revenue Generation

- Blanchard
- Child Services Center
- Glenhaven
- King Community Center
- Lakeside
- Masonic Temple
- Strohecker
- Tubman Annex

Reuse Space in Creative Ways: Priorities for Intensified or Changed Use

- Abernethy/ EMS
- Arleta
- Beach
- Bridlemile
- Creston Annex
- Gray
- Grout
- Hosford/IMS
- Jackson
- Jefferson
- Kellogg
- Kenton
- Lee
- Lent
- Madison
- Markham
- MLC
- Monroe/daVinci
- Peninsula
- Portsmouth
- Sabin/ACCESS
- Sellwood
- Vernon
- Vestal
- West Sylvan
- Wilson
- Woodmere

Recycle Property into New Uses: Major Facility Redevelopment

- Adams
- Ball
- Clarendon
- Fernwood
- Lincoln

Retain for Future Needs (not Currently 'Traditional' Schools)

- Columbia Transportation
- Green Thumb
- Holladay Annex
- Kelly Center
- Mallory
- Rice
- Sacajawea
- Sylvan
- Terwilliger

Reinvest in the Future of Education

Priorities for Major Work

- Ainsworth
- Binnsmead
- Forest Park
- Franklin

Future Reinvestment

- Alameda
- Cleveland
- Kelly
- Rigler
- Atkinson
- Creston
- King
- Roosevelt
- Astor
- Duniway
- Lane
- Rose City Park
- Beaumont
- Faubion
- Laurelhurst
- Scott
- Benson
- Foster
- Lewis
- Sitton
- Bridger
- George
- Llewellyn
- Stephenson
- Brooklyn
- Grant
- Maplewood
- Sunnyside
- Boise-Eliot
- Glencoe
- Marshall
- Tubman
- Buckman
- Gregory Heights
- Marysville
- Whitman
- Capitol Hill
- Hayhurst
- Mt. Tabor
- Woodlawn
- Chapman
- Humboldt
- Ockley Green
- Woodstock
- Chief Joseph
- Irvington
- Richmond
- Clark
- James John
- Rieke



Additional Property Issues

Small Elementary Schools

Portland Public Schools currently operates Small Elementary Schools (defined here as fall 2001 enrollment of 252 students or less) which are functioning efficiently, except for the premium demanded in support and operations costs due to their small enrollment. Determining whether the educational value of the small school environment is worth the cost premium is beyond the scope of this report.

Large School Sites

Additionally, quite a number of buildings that are operating successfully as schools are on larger than necessary pieces of land. These facilities present an opportunity to consider selling some of their grounds, either for development or as open space to an appropriate conservation entity. A preliminary estimate indicates that as many as 50 acres might be made available for sale or lease. At a conservative price of \$200,000/acre for residential property, this could generate \$10 million for Portland Public Schools.

Small Elementary Schools (with Fall 2001 enrollment)

- | | | | | |
|--|--|--------------------------------------|--|---|
| <input type="checkbox"/> Applegate (212) | <input type="checkbox"/> Hollyrood (191) | <input type="checkbox"/> Meek (198) | <input type="checkbox"/> Skyline (209) | <input type="checkbox"/> Wilcox (197) |
| <input type="checkbox"/> Edwards (212) | <input type="checkbox"/> Kenton (233) | <input type="checkbox"/> Smith (252) | <input type="checkbox"/> Vestal (227) | <input type="checkbox"/> Youngson (177) |

Large School Site (possible sale/lease of some grounds)

- | | | | | |
|-------------------------------------|-----------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> Beach | <input type="checkbox"/> Faubion | <input type="checkbox"/> Lane | <input type="checkbox"/> Marshall | <input type="checkbox"/> Rigler |
| <input type="checkbox"/> Bridger | <input type="checkbox"/> Hayhurst | <input type="checkbox"/> Lee | <input type="checkbox"/> Marysville | <input type="checkbox"/> Sitton |
| <input type="checkbox"/> Bridlemile | <input type="checkbox"/> Jackson | <input type="checkbox"/> Lent | <input type="checkbox"/> Meek | <input type="checkbox"/> Smith |
| <input type="checkbox"/> Clark | <input type="checkbox"/> Kelly | <input type="checkbox"/> Madison | <input type="checkbox"/> Peninsula | <input type="checkbox"/> Stephenson |
| <input type="checkbox"/> Creston | <input type="checkbox"/> Kenton | <input type="checkbox"/> Markham | <input type="checkbox"/> Rieke | <input type="checkbox"/> Vestal |