



FAQ about BAC's Relationship with Beaverton Rural Schools

What is the nature of the relationship between BRS and BAC?

Beaverton Rural Schools and Beaverton Activity Center have a lease agreement. The purpose of the lease defines the school district's desire to reduce long-term costs of maintenance and upkeep of a building it no longer uses for educational purposes, and, in turn, allow the use of the building by others.

BRS – OWNER OF THE BUILDING

- Beaverton Rural Schools owns the historic school building that houses the BAC; the entire property is one of school district's assets; the building is currently maintained and operated under a 10-year lease by Beaverton Activity Center (July 1, 2015 – June 30, 2025).
- BRS is "lessor" and co-steward of the building, responsible for a decreasing scale of maintenance costs stipulated in the lease.

BAC – ORGANIZATION THAT LEASES AND OPERATES THE BUILDING

- Beaverton Activity Center is a 501(c)(3) Non-Profit Organization, organized exclusively for charitable and educational purposes. Community stakeholders created the organization and established a vision for the future. Non-profit tax status allows the organization to raise funds necessary to restore, and continually improve, the building. Volunteers manage daily operations with resourceful planning and tireless elbow grease.
- BAC is "lessee" and co-steward of the building, responsible for \$1/year in rent, daily operations and maintenance, improvements and modifications, and an increasing scale of maintenance costs supplemented by about 3,000 hours of volunteer labor annually.

How does BRS benefit from this agreement with BAC?

- The community's revered, historic school building was rapidly advancing toward a state of dilapidation, threatened with the prospect of demolition. The BAC organization breathed life and tangible value back into this now fully renovated, functional, and beautiful building. The entire property is carefully kept at the school district's high standard of cleanliness, accessibility and safety. BAC attracted and fosters tenant relationships with three reputable partners who offer sustainability and highly valued services that the community needs.
- The building and gym are consistently available for student use at no cost (Ex. student time in gym would cost \$16,000/year for any other group).
- BRS' level of financial responsibility for annual maintenance of the building it still owns is steadily decreasing as stipulated by the lease.
- BRS/BAC is evidence of the profound impact of community partnership, and a symbolic reawakening of the "can-do spirit" that is Beaverton.

How was the \$1.3 million building restoration funded?

- In summer and fall of 2014 the BAC organization conducted a capital campaign to raise funds for the building's restoration. Foundations, individuals, families, organizations and companies donated \$1.3 million in cash, which was spent on construction and remodeling.
- Additionally, Beaverton Rural Schools utilized bond funds to restore the roof (which would have been required even without the creation of the BAC), and the City of Beaverton and multiple private and public entities contributed in kind services, materials and furnishings.

How much does BRS pay to BAC every year?

- BRS does not pay the BAC organization any sum of money, at any time.
- Per the lease agreement, BRS directly pays a portion of annual maintenance costs, specifically for utilities and annual safety inspections (fire, elevator, electricity and boilers). Payment of these costs would have been required even without the creation of the BAC. In fact, prior to the lease, BRS expended \$53,000 in 2012, and \$58,000 in 2013 to keep the building operational – a building it no longer used for educational purposes.
- The lease agreement immediately lowered the school district's portion of maintenance costs to \$43,000 in 2015. The decreasing scale has resulted in maintenance cost payments of \$40,000 in 2016, \$35,000 in 2017, and \$30,000 in 2018.
- In light of the school district's current budget situation, the BAC has agreed to significantly reduce BRS' building maintenance cost obligation from \$25,000 to \$10,000 in 2019 (and every year thereafter for the remainder of the lease agreement), saving the school an additional \$41,000.

Why does BAC pay only \$1 per year for the lease?

- The BAC's payment of \$1 per year executes the legality of the lease agreement. Instead of monthly rent, the BAC accepted the responsibility of raising the funds needed to restore the outdated building, paying for an increasing scale of maintenance expenses, and continually providing improvements and modifications that add value to the building (ie. Cedar River Room remodeling and digital updating was funded entirely by a donation to BAC).
- In 2018 the BAC organization spent \$38,000 for cleaning, consumables, lawn and snow, and general maintenance, and BRS' maintenance cost for the same year was \$30,000 (and will reduce to \$10,000 in the coming year). As the school district's responsibility for maintenance has decreased, the BAC organization's responsibility has increased, and the school continues to use the facility free of charge for a number of ongoing student services.