

School Could Up Real Estate Tax By 16 Percent

By ELLIE POTTER Daily News-Record

HARRISONBURG — If City Council agrees to spend \$76 million on a new high school, property owners may see a nearly 16 percent real estate tax increase.

City Finance Director Larry Propst said Monday that funding the proposed \$76 million high school would require about a 13.5-cent tax increase per \$100 of assessed value for the next 25 years. The city's real estate tax is now 85 cents per \$100 in assessed value.

The \$76 million does not include the cost of land for the school or operation expenses. It is not clear yet what the interest rate would be on a \$76 million bond, which also could affect the tax rate.

At one point, the Harrisonburg School Board considered a \$100 million proposal, which was estimated to cost taxpayers about 17.5 cents per \$100 of assessed value to pay off in 25 to 30 years.

On Dec. 5, the board accepted a proposal from the architectural firm Grimm and Parker, a suburban Washington, D.C., firm that has an office in Charlottesville, to design a \$76 million high school. The new school could open in the 2021-22 academic year, with council's approval.

Today, Superintendent Scott Kizner, School Board Chairman Andrew Kohen and board member Deb Fitzgerald will present a cost analysis of building a second high school to council, Kizner said.

Advocates for the second high school argue that it is needed to reduce overcrowding in Harrisonburg High School. HHS was built for 1,360 students but now has an enrollment of about 1,800, and is expected to continue to grow.

But a new high school will require the city to raise taxes significantly to fund.

The average single-family home is assessed at \$229,400, said Lisa Neunlist, city real estate director. Those homeowners would pay an additional roughly \$310 a year if council agrees to pay for the \$76 million school, Propst said.

People who own \$100,000 homes would see a \$135 increase a year, Propst said, increasing their annual real estate taxes from \$850 to \$985. Owners of \$200,000 homes would see an increase from \$1,700 to \$1,970 a year and owners of \$300,000 homes may face an increase from \$2,550 to \$2,955 a year in real estate taxes.

If council approves issuing a bond to build the new high school, Propst said, he is not sure when Harrisonburg property owners will see a tax increase. The increase would be dependent on the school's construction timeline, he said, and may be phased in over time rather than hitting taxpayers all at once.

Despite the cost of the proposed school coming down from \$100 million to \$76 million, Propst said, it will still be a large project for the city to underwrite.

"It's the largest project that we've ever financed up to this point," he said.

In May, the city raised its real estate tax by 7 cents to pay off the debt from Bluestone Elementary School on Garbers Church Road and Elon Rhodes Early Learning Center on Linda Lane, which cost \$25.9 million and \$6.2 million, respectively. Both schools opened in August.