

Edmonds’s Bond Cost Ad Explained

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Summary

Problems with Edmonds’s advertisement:

1. Edmonds mingled previous bond debt with the proposed 2020 bond debt.
2. They assumed the example homeowner’s home stays at the same assessed value (AV) for 2019 and 2021 at \$400,000 in their calculations for their table data.
3. But they assumed, in their bond/levy datasheet, that the overall AV in the district keeps rising every year.
4. They designed to have the Prev Debt to have a large drop in 2021.
5. No mention of the actual cost of just the 2020 bond for the example homeowner.
6. No mention of the length of the 2020 bond’s payback period.

Bond cost to taxpayers as represented by the school district

What does this mean for Edmonds School District homeowners?

Tax rates are based on the assessed property value of each home. The chart below shows the total cost and rate of the \$600 million Capital Construction Bond and the \$96 million Technology/Capital Levy on a home valued at \$400,000.

\$400,000 home value	Actual 2019		Estimated 2021	
	Rate per \$1,000	Total cost	Rate per \$1,000	Total cost
Capital Bonds – new and existing	\$1.79	\$716	\$1.56	\$624
Replacement Technology/Capital Levy	\$0.47	\$188	\$0.65	\$260
TOTAL		\$904		\$884

The district only collects up to the amount approved by voters regardless of assessed property valuation. These estimated figures do not take into consideration new homes being built or new commercial businesses being added to tax rolls, which would result in decreased taxes for existing homeowners.

Fig 1

Bond cost to taxpayers as calculated by the authors

Projected School Tax Collection for the 2020 Bond
On an Edmonds SD Home with an AV of \$400,000 as of 2020
Total = \$9,797
Ave Per Year = \$445 for 22 years

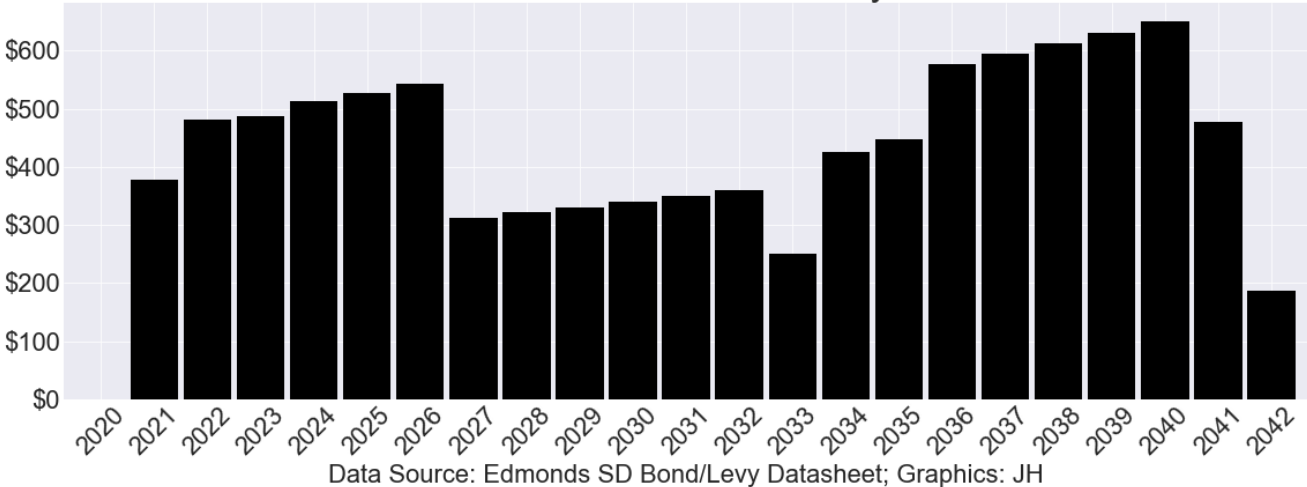


Fig 2

Table with additional explanation about Edmonds's advertisement

	2019	2019	2021	2021	Diff
	Rate	Amount	Rate	Amount	
Example home AV		\$400,000		\$400,000	
Existing Bond Rate	1.79	\$716	0.66		
2020 Bond Rate	0	0	0.9		
Combined Bond Rate	1.79	\$716	1.56	\$624	
Tech/Capital Levy	0.47	\$188	0.65	\$260	
Subtotal	2.26	\$904	2.21	\$884	-\$20
Operations Levy	1.50	\$788	1.48	\$852	
New Total	3.76	\$1,504	3.69	\$1,476	-\$28

Fig 3

Example home AV from 2016-2042

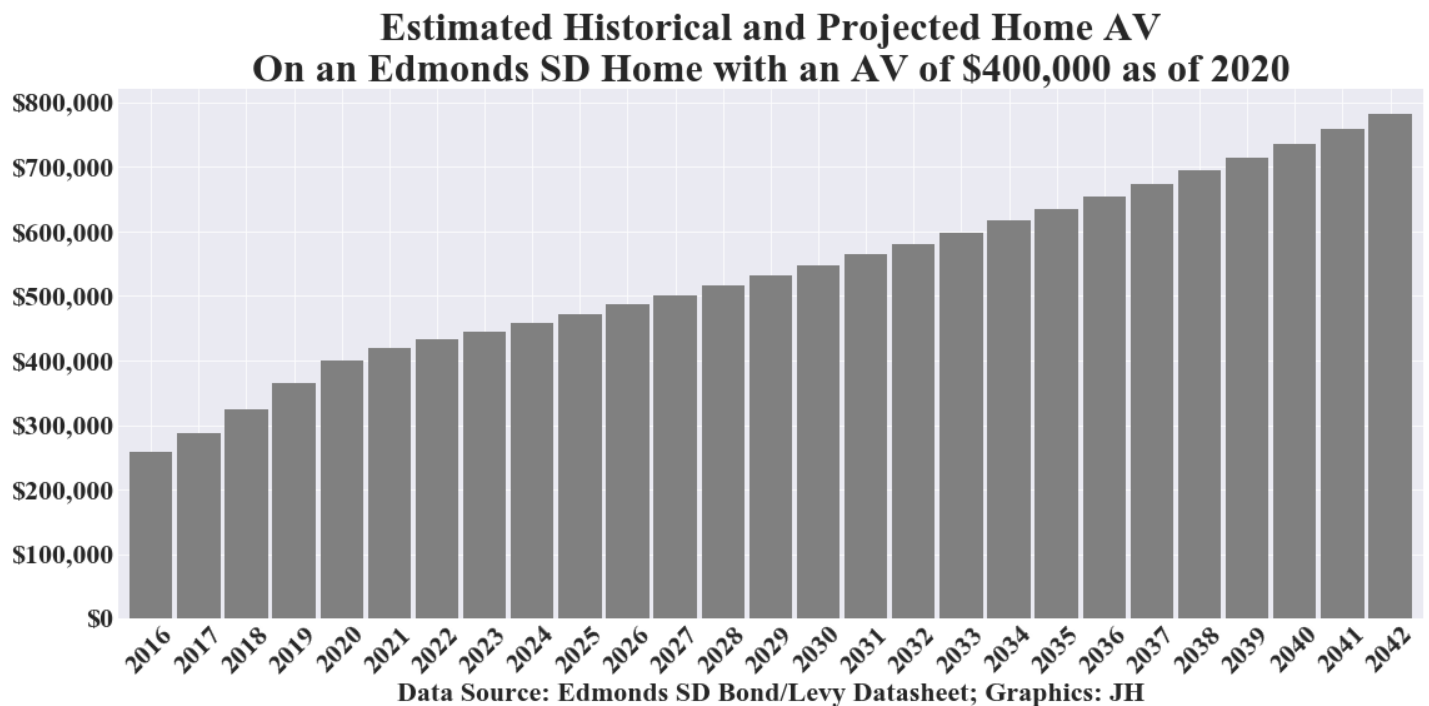


Fig 4

Year over year AV growth

Historical and Projected AV Growth for Edmonds Actual 2016-2020 Projected 2021-2042

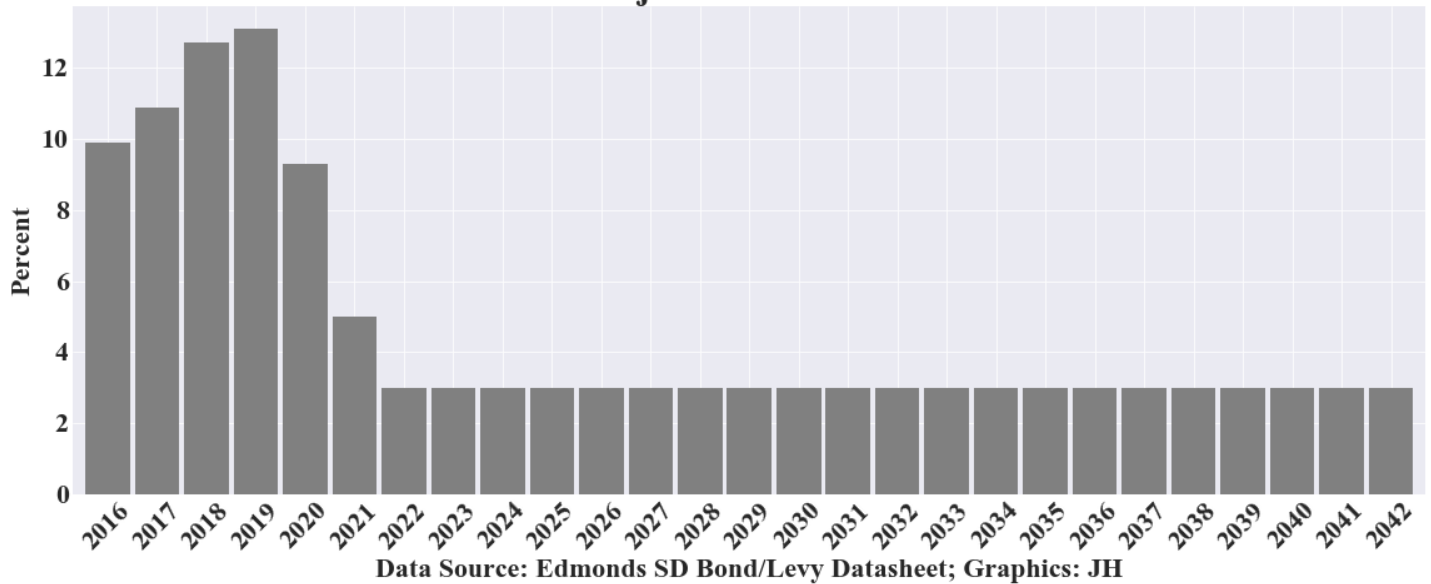


Fig 5

The district's local school tax rates for 2016-2042 based on the district's bond/levy datasheet

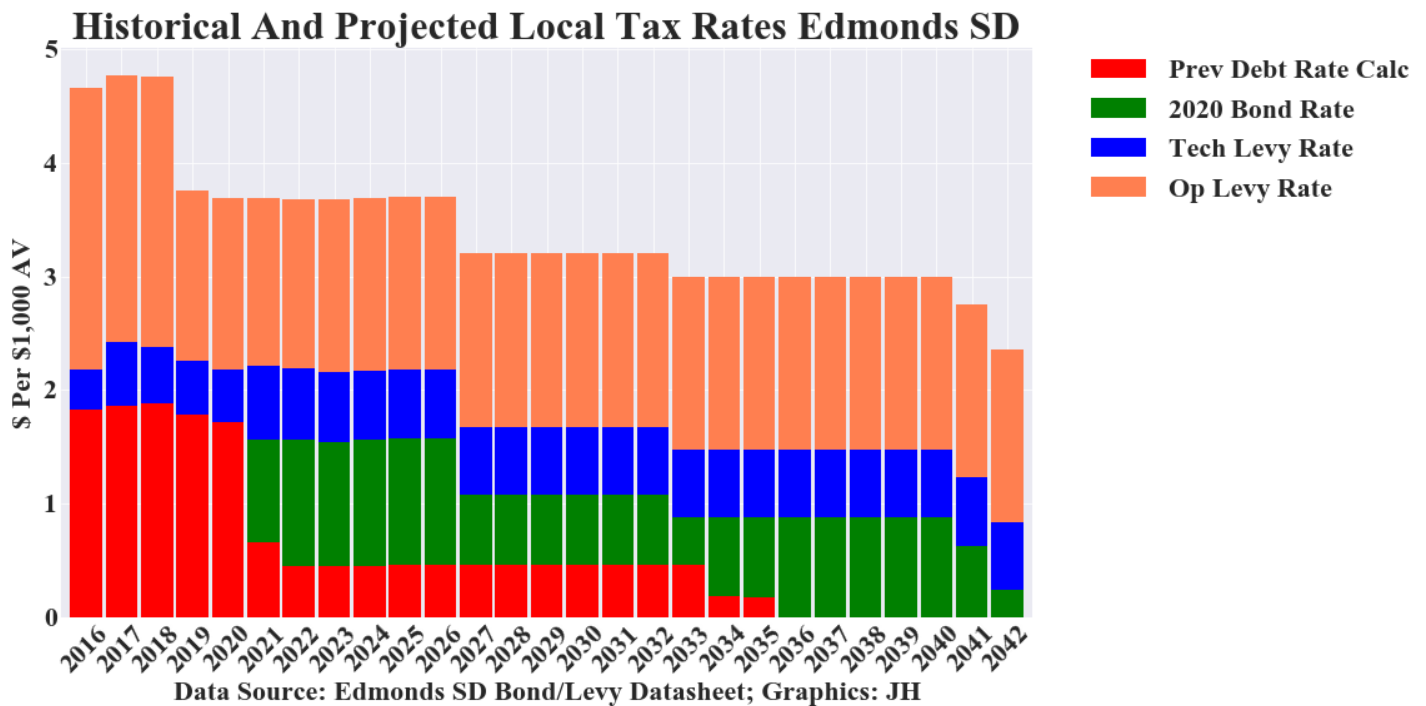


Fig 6

The author’s estimate for the example home’s local school taxes for 2016-2042

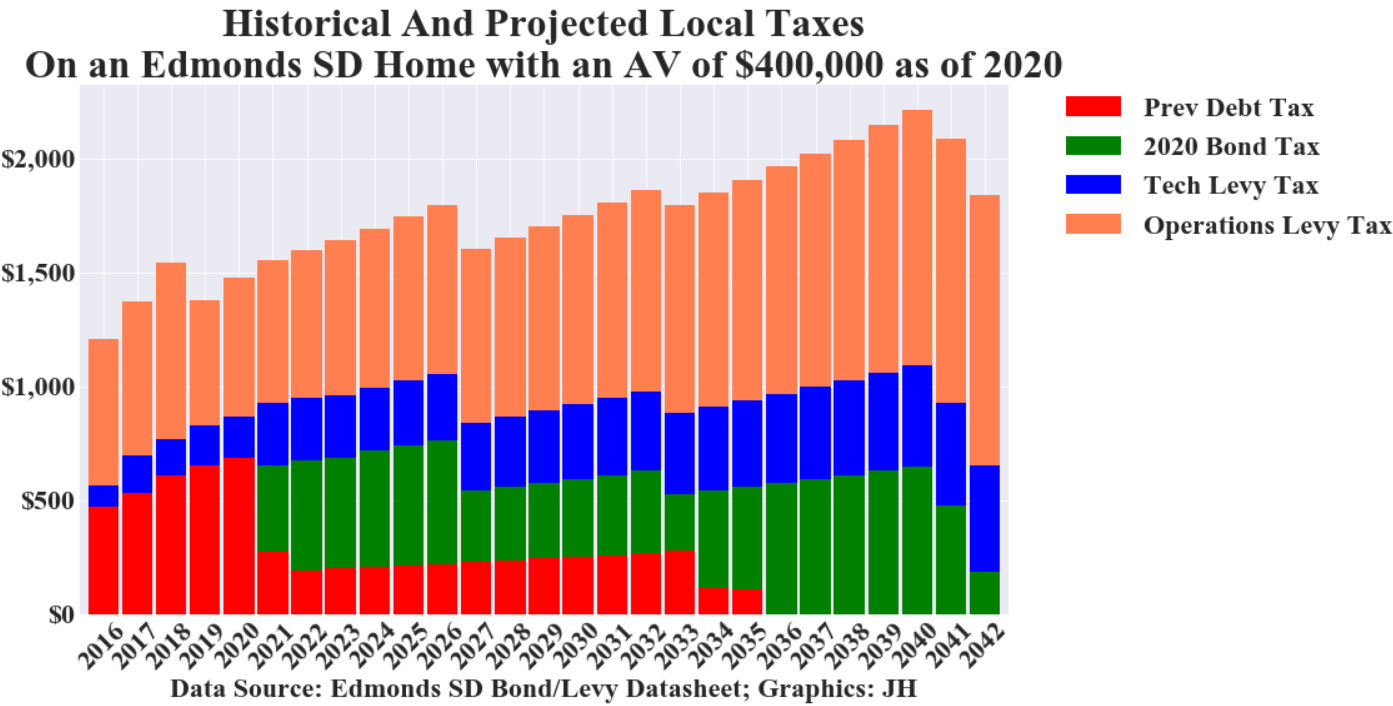


Fig 7