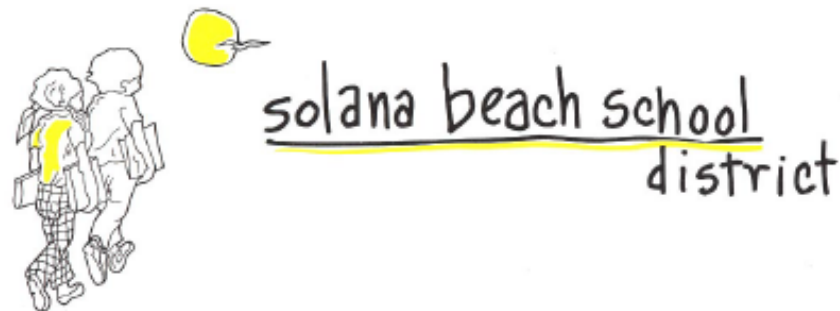




Capitol | PFG

Update on Capital Project Funding Plan

January 17, 2019



Issued \$50 Million of Measure JJ Bonds in Spring 2017

Measure JJ Projects To Date	
Project	Cost
Skyline School Reconstruction	\$46,000,000
Solana Highlands School Modernization	\$8,300,000
Solana Santa Fe School Shade Project	\$80,000
Solana Vista School Shade Project	\$70,000
Solana Pacific School Solar Project	\$950,000
Total	\$55,400,000

- Awaiting approx. \$2.6 million in State reimbursement for Solana Highlands and Skyline
- Augmented with Prop. 39 funds
- \$5 million shortfall funded from other capital sources until Series B Measure JJ bonds are issued and State money is received

Remaining Measure JJ Projects

Planned Measure JJ Projects for Next 2-3 Years	
Project	Estimated Cost
Solana Vista School Reconstruction	\$40,000,000
Solana Santa Fe School Modernization	\$9,900,000
Carmel Creek School Modernization	\$2,700,000
Solana Pacific School Enhancements	\$2,700,000
Solana Ranch School Enhancements	\$2,700,000
Total	\$58,000,000

- *Measure JJ projects will be eligible for State funding and may be augmented with CFD funds on eligible school sites*
 - *Decision on School #8 will impact project scope and available funding*

Funding Sources for Capital Improvements

PART 1

Measure JJ
Bonds:
\$50 Million

- \$55 million to be issued
- \$5 million reimbursement to other capital funds for current projects until State money comes in

PART 2

CFD 2000-1
Funds:
\$4.5 million

- Approx. \$2.5 million of fund balance
- Approx. \$2 million of bond proceeds

PART 3

CFD 1999-1/
2004-1 Funds:
\$40 Million

- Approx. \$9.4 million of fund balance
- Estimated \$30 million of bond proceeds (not all needs to be issued at one time)
- Approx. \$350k of future tax collections not used for debt service
 - Would increase if less bonds are issued



Part 1: Planned Issuance of Measure JJ Bonds

Bond Series	Issuance Timeframe	Estimated Issuance Amount
Series A	Spring 2017	\$50,000,000
Series B	Spring 2019	\$55,000,000

- The District is on target to meet the planned issuance schedule
 - While maintaining the \$30/\$100,000 of assessed value tax rate promise made to voters

Issuance of Measure JJ Series B Bonds

Bond sale scheduled for late March with closing in mid-April

Planned Board action item in February to review bond terms and consider authorizing the issuance of bonds

Financing team in progress on preparing for this transaction

Parts 2 and 3: Planning for Potential Future Financings

Measure JJ funds can be augmented with funds from the District's 3 CFDs

Funds from CFD 2000-1 are available for improvements to schools serving the Crosby

If the District decides to construct School #8, all funds from CFDs 1999-1/2004-1 will be committed to that project

- If the District does not construct School #8, funds from CFDs 1999-1/2004-1 can be used for enhancements to schools serving Pacific Highlands Ranch

Part 2: Issuance of CFD 2000-1 Bonds

Recommending a direct placement instead of a traditional public offering

- Due to small issuance size (approx. \$2 million) and relatively short term (through 2037)
- Would result in lower issuance costs and flexible issuance timing

Negotiation of terms sheet scheduled as early as March/April

- Board review of financing terms and authorization to issue as early as April/May

➤ *CFD 2000-1 bonds can be issued once desired project scope is determined*

Part 3:

Issuance of CFD 1999-1/2004-01 Bonds

Estimate traditional bond sale as early as Fall 2019 with Board consideration prior to issuance

- CFD bond issuance process more complex than GO Bond or direct placement and requires time to implement once projects are identified
 - e.g., special tax consultant report, appraisal, market absorption study, etc.

➤ *The process for issuing the CFD 1999-1/2004-1 bonds can begin once desired project scope is determined*

Summing it Up

- Plan to issue the final series of Measure JJ bonds and may issue bonds from CFDs 2000-1 and 1999-1/2004-1 to fund several projects over the next 2-3 years
- Staff will fine tune project scope based on funds available and Board direction on School #8

February 13 Board Meeting – Action on Measure JJ Bond Issuance

April/May Board Meeting – Possible Action on CFD 2000-1 Bond Issuance

Fall 2019 – Possible Action on CFD 1999-1/2004-1 Bond Issuance