



# **Local Funding Initiatives**

## **Future General Obligation Bond and Parcel Tax Planning Workshop #3**

**February 11, 2020**

# Agenda:

---

1. Current General Obligation Bonds (“G.O. Bonds”) and Parcel Tax
2. Potential Projects
3. Potential Local Financial Structures
4. Timelines
5. Closing --- Permission to Proceed

# Current General Obligation Bonds and Parcel Tax

**Parcel Tax**

May 2015

\$144/parcel - 9 years

San Ramon Valley Unified  
07-61804

**Purpose**  
(Renewal) Without increasing the current tax rate, to support academic excellence, retain qualified and experienced teachers, and prepare students for 21st century college and careers with strong reading, writing, math and science education

Vote Count	
Vote in Favor	75.0 %
Vote Required	66.7 %
Average Daily Attendance	29,909

✓ Passed

Annual Revenue = \$6.8 Million through Year 2024-25

**Measure D**

GO Bond

November 2012

\$260,000,000

San Ramon Valley Unified  
07-61804

**Purpose**  
Improve labs and learning facilities; add classrooms to prevent school overcrowding; upgrade fire, security and earthquake safety; update science labs, and instructional technology infrastructure for 21st-century learning; improve energy efficiency; and renovate, construct and equip schools, facilities and classrooms.

Close

Vote Count	
Vote in Favor	56.8 %
Vote Required	55.0 %
Average Daily Attendance	28,184

✓ Passed

Payback Through Fiscal Year 2040  
“Under \$75 per \$100K Promise”

**Measure A**

GO Bond

November 2002

\$260,000,000

San Ramon Valley Unified  
07-61804

**Purpose**  
Renovate; upgrade; construct; expand; new science/technology labs

Vote Count	
Vote in Favor	58.6 %
Vote Required	55.0 %
Average Daily Attendance	20,109

✓ Passed

Payback Through Fiscal Year 2031  
“Under \$75 per \$100K Promise”

# Local Funding >>> G.O. Bond Planning

## Concept would be to take Series 3 Ultra-Low Interest and Payback Ratio Results and Scale Up to Entire Authorization

2012 Authorization - Measure D (\$260MM)		
Series	Principal Issued	Repayment Ratio
2013	\$74,995,000	1.70 to 1
2015	\$125,000,000	1.83 to 1
<b>Final Series C New Money</b>	<b>\$60,005,000</b>	<b>1.08 to 1</b>

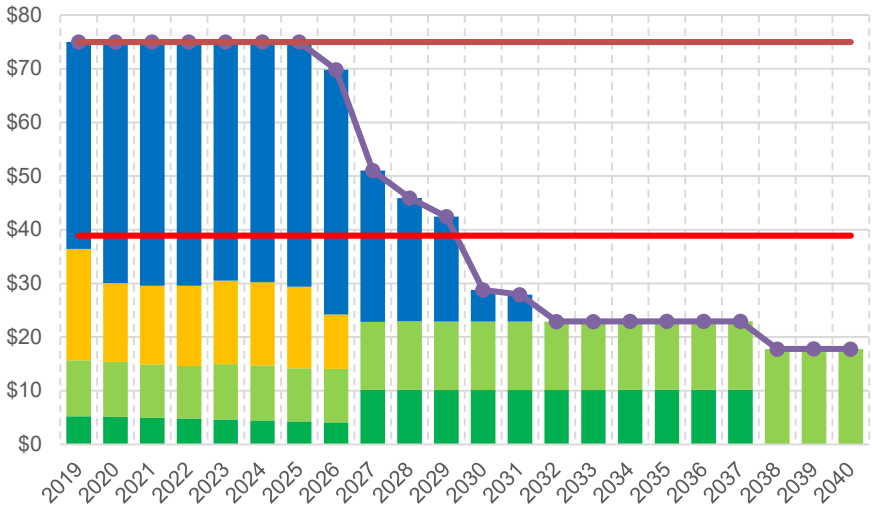
Overall Payback Ratio = 1.59 to 1

Overall True Interest Costs = 3.47%

Overall Payback Term = 2013 to 2040

Final Series C Debt Service Schedule				
FY	Principal	Interest	Capitalized Interest	Net Debt Service
2019	\$15,240,000	\$1,671,952	(\$6,400,024)	\$10,511,928
2020	4,820,000	2,238,250	-	7,058,250
2021	5,230,000	1,997,250	-	7,227,250
2022	5,915,000	1,735,750	-	7,650,750
2023	6,735,000	1,440,000	-	8,175,000
2024	7,300,000	1,103,250	-	8,403,250
2025	7,805,000	738,250	-	8,543,250
2026	6,960,000	348,000	-	7,308,000

San Ramon Valley USD – 2012 Measure D Tax Rate\* (for illustration only)



■ Series 2013 Tax Rate      ■ Series 2015 Tax Rate  
■ Measure D, Series C      ■ 2002 Measure A Tax Rate  
—●— Proposed Aggregate Tax Rate      — Combined Tax Rate, All Bonds (\$75.00)  
— 2012 Election Tax Rate (\$38.90)

2027  
2028  
2029 **Series C**  
2030 **True Interest Cost = 1.90%**  
2031

2032  
2033  
2034 **Series C**  
2035 **Payback Ratio = 1.08 to 1**  
2036

2037	2038	2039	2040	<b>Total</b>	<b>\$60,005,000</b>	<b>\$11,272,702</b>	<b>(\$6,400,024)</b>	<b>\$64,877,678</b>
------	------	------	------	--------------	---------------------	---------------------	----------------------	---------------------

# Potential Components of G.O. Bond

---

## - Potential Projects

- Safety Investments
- Technology Investments
- Modernization and Maintenance Investments
- “Big Project” Modernization Investments

## - Workforce Housing

Possible Rental Revenue Uses Include:

- “Service the Debt” (“Pay down the Mortgage/Bond”)
- General Fund
- Facilities Modernization and Maintenance



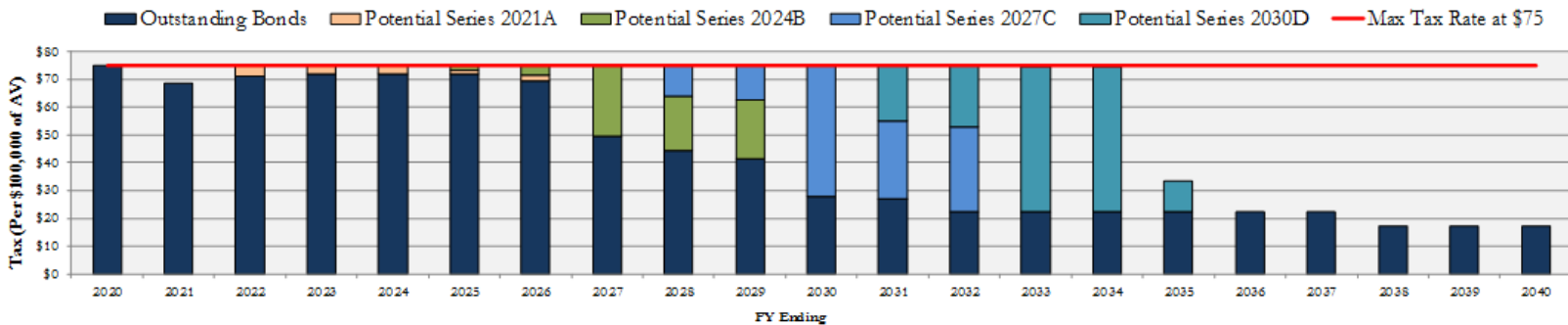
# Local Funding Initiatives

## - Potential G.O. Bond Authorization @ Existing \$75

### 2020 Election Scenario 1 (\$75 Rate, 5-Year Bonds)

- The District could maintain its \$75 aggregate tax rate promise and issue approximately \$265 million across four bond series through 2030

SRVUSD Scenario 1 - Short-Term Bonds (\$75 Tax Rate Limit)<sup>(1)</sup>



	Series A	Series B	Series C	Series D	Total
Issuance Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	-
Par Amount	\$7,500,000	\$45,000,000	\$90,000,000	\$122,500,000	\$265,000,000
Project Amount	7,282,500	44,595,000	89,370,000	121,707,500	\$262,955,000
Final Maturity Date	8/1/2026	8/1/2029	8/1/2032	8/1/2035	8/1/2035
Repayment Ratio	1.07	1.10	1.10	1.09	1.09

<sup>(1)</sup> Assumes 4.00% growth in Assessed Value for FY 2020-21 and every year thereafter.

<sup>(2)</sup> Series A scale assumes 15-year 'A' average scale per maturity. Each subsequent series assumes an additional 25 basis points.



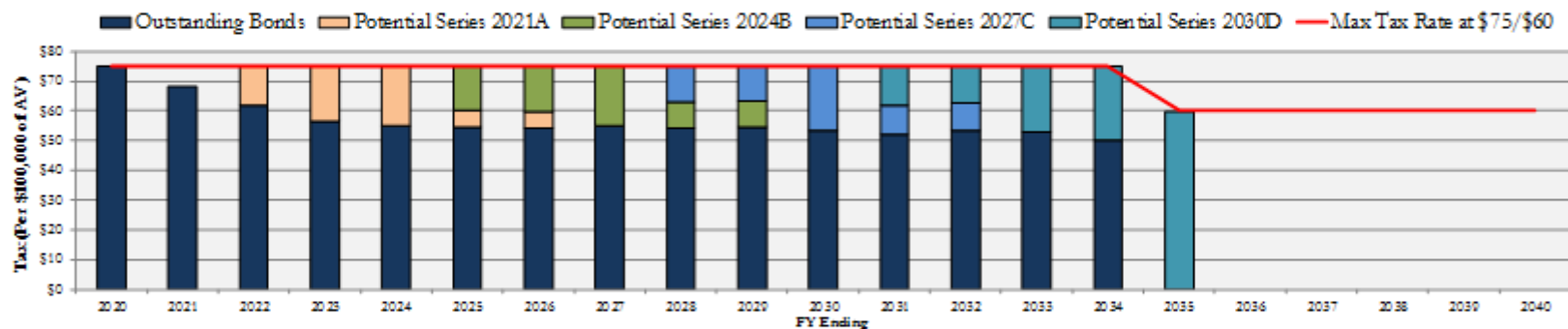
# Local Funding Initiatives

## - Potential G.O. Bond Authorization @ Existing \$75

### 2020 Scenario 2 (\$75 Restructure & 5-Year Bonds)

- ❑ The District could refinance/restructure its outstanding bonds with taxable rates while maintaining its \$75 aggregate tax rate promise and issue approximately \$225 million through 2030
- ❑ After outstanding Measure D bonds mature in 2034, aggregate tax rate limit would fall to \$60 without approval of an additional bond measure

SRVUSD Scenario 2 (Restructure) - Short-Term Bonds (\$75/\$60 Tax Rate Limit)<sup>[1]</sup>



	Series A	Series B	Series C	Series D	Total
Issuance Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	-
Par Amount	\$35,000,000	\$42,000,000	\$45,000,000	\$103,000,000	\$225,000,000
Project Amount	34,645,000	41,610,000	44,595,000	102,305,000	\$223,155,000
Final Maturity Date	8/1/2026	8/1/2029	8/1/2032	8/1/2035	8/1/2035
Repayment Ratio	1.06	1.07	1.08	1.12	1.09

<sup>(1)</sup> Assumes 4.00% growth in Assessed Value for FY 2020-21 and every year thereafter.

<sup>(2)</sup> Series A scale assumes 15-year 'A' average scale per maturity. Each subsequent series assumes an additional 25 basis points.



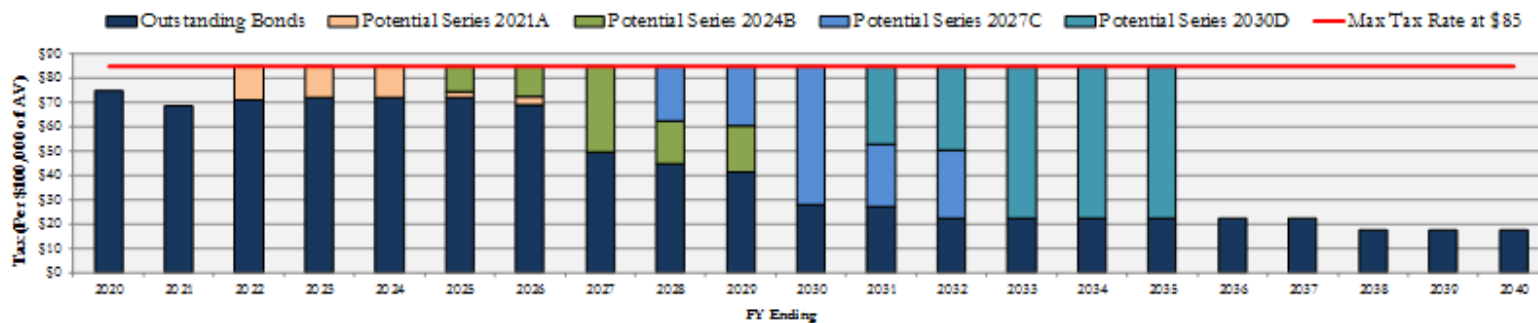
# Local Funding Initiatives

## - Potential G.O. Bond Authorization @ New \$85

### 2020 Election Scenario 3 (\$85 Rate, 5-Year Bonds)

- The District could increase its aggregate tax rate promise from \$75 to \$85 per \$100,000 of Assessed Value and issue approximately \$393 million across four bond series through 2030

SRVUSD Scenario 3 - Short-Term Bonds (\$85 Tax Rate Limit)<sup>(1)</sup>



	Series A	Series B	Series C	Series D	Total
Issuance Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	-
Par Amount	\$25,000,000	\$60,000,000	\$110,000,000	\$198,000,000	\$393,000,000
Project Amount	24,695,000	59,520,000	109,270,000	196,830,000	\$390,315,000
Final Maturity Date	8/1/2026	8/1/2029	8/1/2032	8/1/2035	8/1/2035
Repayment Ratio	1.06	1.08	1.09	1.10	1.09

<sup>(1)</sup> Assumes 4.00% growth in Assessed Value for FY 2020-21 and every year thereafter.

<sup>(2)</sup> Series A scale assumes 15-year 'A' average scale per maturity. Each subsequent series assumes an additional 25 basis points.





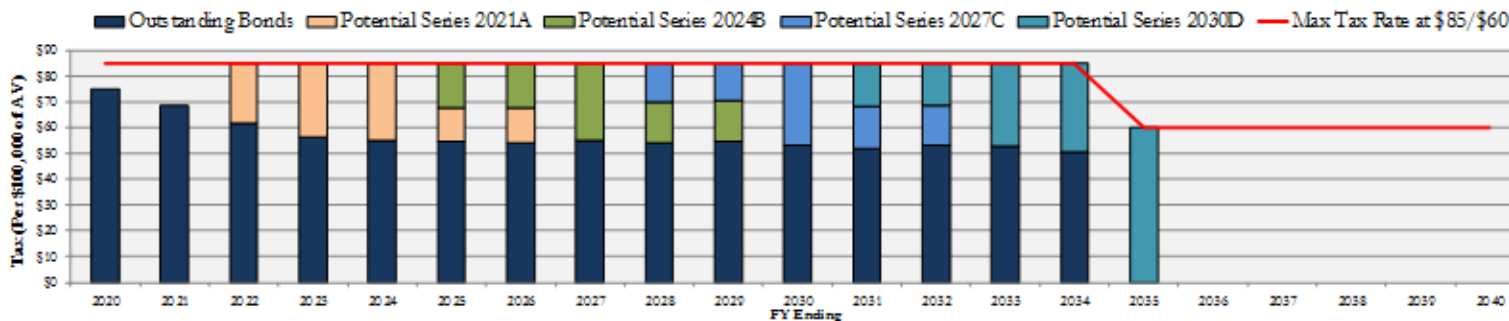
# Local Funding Initiatives

## - Potential G.O. Bond Authorization @ New \$85

### 2020 Scenario 4 (\$85 Restructure & 5-Year Bonds)

- The District could refinance/restructure its outstanding bonds with taxable rates while assuming an increased \$85 aggregate tax rate promise to issue approximately \$309 million through 2030
- After outstanding Measure D bonds mature in 2034, aggregate tax rate limit would fall to \$60 without approval of an additional bond measure

SRVUSD Scenario 4 (Restructure) - Short-Term Bonds (\$85/\$60 Tax Rate Limit)<sup>[1]</sup>



	Series A	Series B	Series C	Series D	Total
Issuance Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	-
Par Amount	\$60,000,000	\$60,000,000	\$65,000,000	\$124,000,000	\$309,000,000
Project Amount	59,520,000	59,520,000	64,495,000	123,200,000	\$306,735,000
Final Maturity Date	8/1/2026	8/1/2029	8/1/2032	8/1/2035	8/1/2035
Repayment Ratio	1.07	1.07	1.08	1.12	1.09

<sup>[1]</sup> Assumes 4.00% growth in Assessed Value for FY 2020-21 and every year thereafter.

<sup>[2]</sup> Series A scale assumes 15-year 'A' average scale per maturity. Each subsequent series assumes an additional 25 basis points.



# Local Funding Initiatives Parcel Tax

---

- Current Parcel Tax =

\$144/parcel generate approx. \$7.00 million

Approx. 50,000 parcel

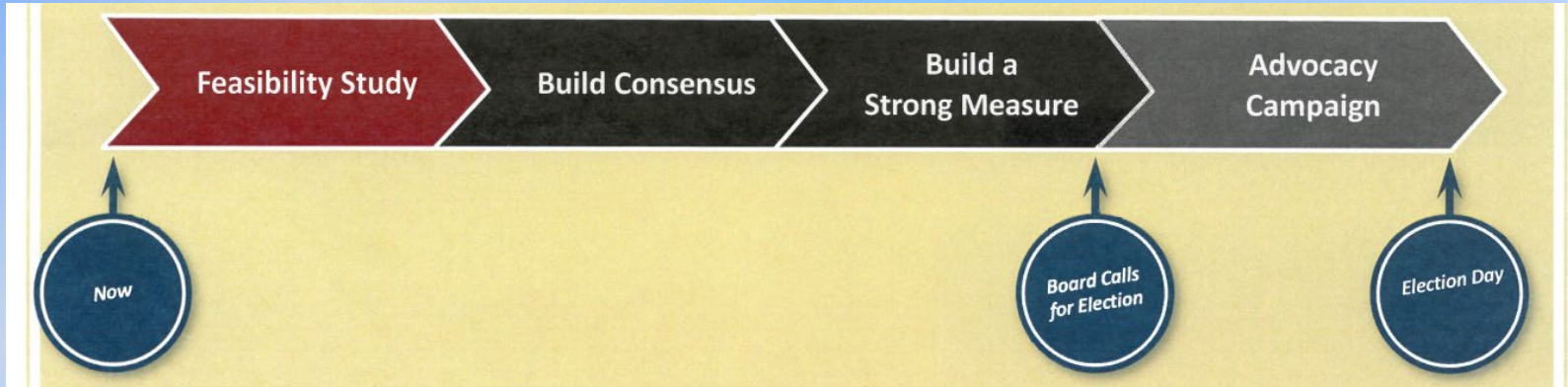
- Future Parcel Tax Concepts

Each Additional \$100/parcel =

\$4.722 million

As Previously Discussed  
at Workshop #2, A Parcel  
Tax is No Longer Being  
Considered for Nov 2020

# Potential Timing to ask our Community to Support Local Funding Initiatives



**Presidential Election = November 2020**  
**>>> Board Action Required By August 7, 2020**

# Continued Exploration Steps

---

## Master Planning Continues

- Architects
- Constructability Experts
- Inspection Experts
- Master Planning Experts

## Projected Working Drafts Completed

April through May 2020

# **Staff Housing --- Continued Exploration Steps**

---

## **Discussions with Potential Partners**

- City of San Ramon**
- Town of Danville**
- Contra Costa County**
- Sacramento**
- Other Partners (Private and Public)**

# Closing

---

- **Permission to Continue**
- **Potential Next Board Open Session Workshop on this Topic =**
  - **Workshop #4**
    - **March 2020**
  - **Workshop #5**
    - **April 2020**