

BOND FEASIBILITY STUDY

CONDUCTED FOR THE
IRVINE
UNIFIED SCHOOL DISTRICT

PRESENTED BY
TIMOTHY McLARNEY PH.D.

8/19/2015





PURPOSE OF STUDY

- Determine if a bond measure is feasible
- Identify how to create a measure consistent with community priorities
- Gather information needed for communications & outreach

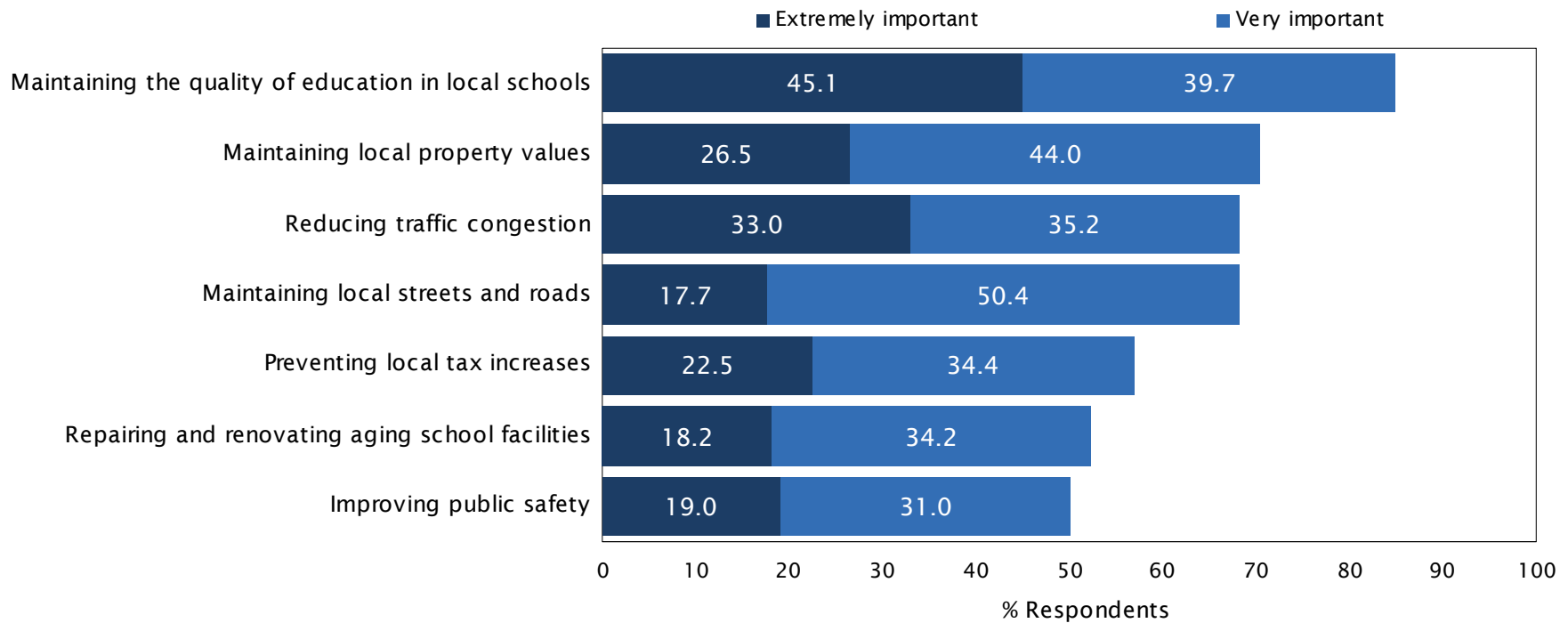


METHODOLOGY OF STUDY

- Telephone survey
- 15 minutes
- Conducted May 29th to June 5th, 2015
- 600 likely November 2016 voters, with likely June 2016 subset
 - Likely June 2016 results shown in this presentation
- Overall margin of error of $\pm 6\%$ for June 2016



IMPORTANCE OF ISSUES





INITIAL BALLOT TEST

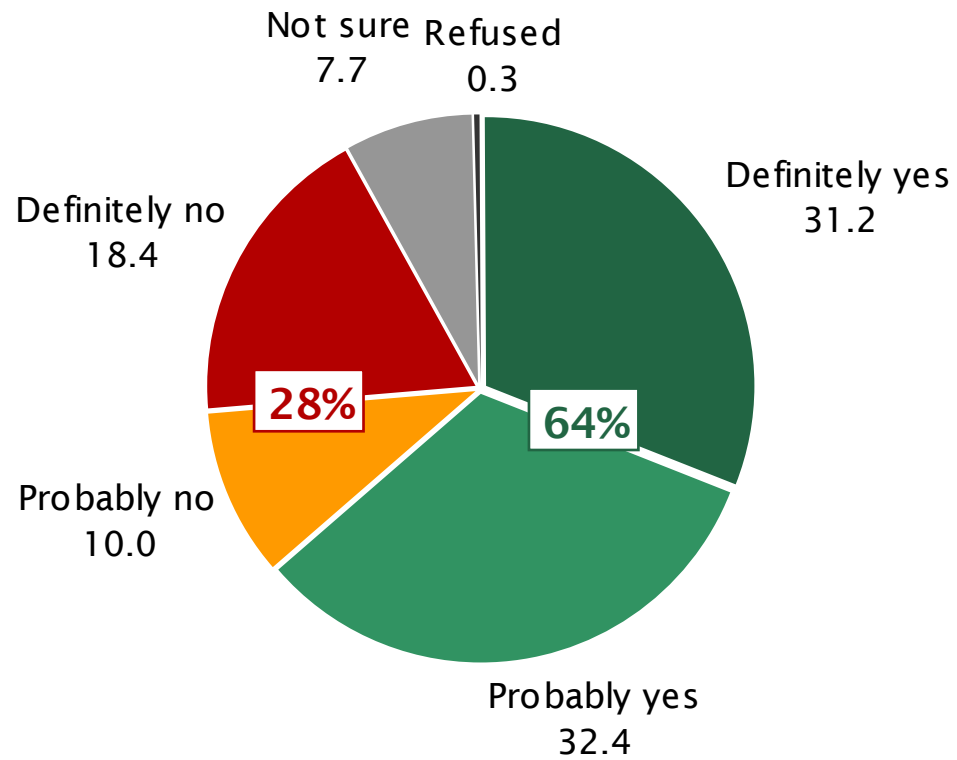
In order to:

- Upgrade classrooms, science labs, career-training facilities, and computer systems to keep pace with technology
- Repair deteriorating roofs, plumbing and electrical systems where needed
- Improve student safety and campus security
- And ensure all students have access to the education, technology, facilities and training they need to succeed in college and high-demand careers

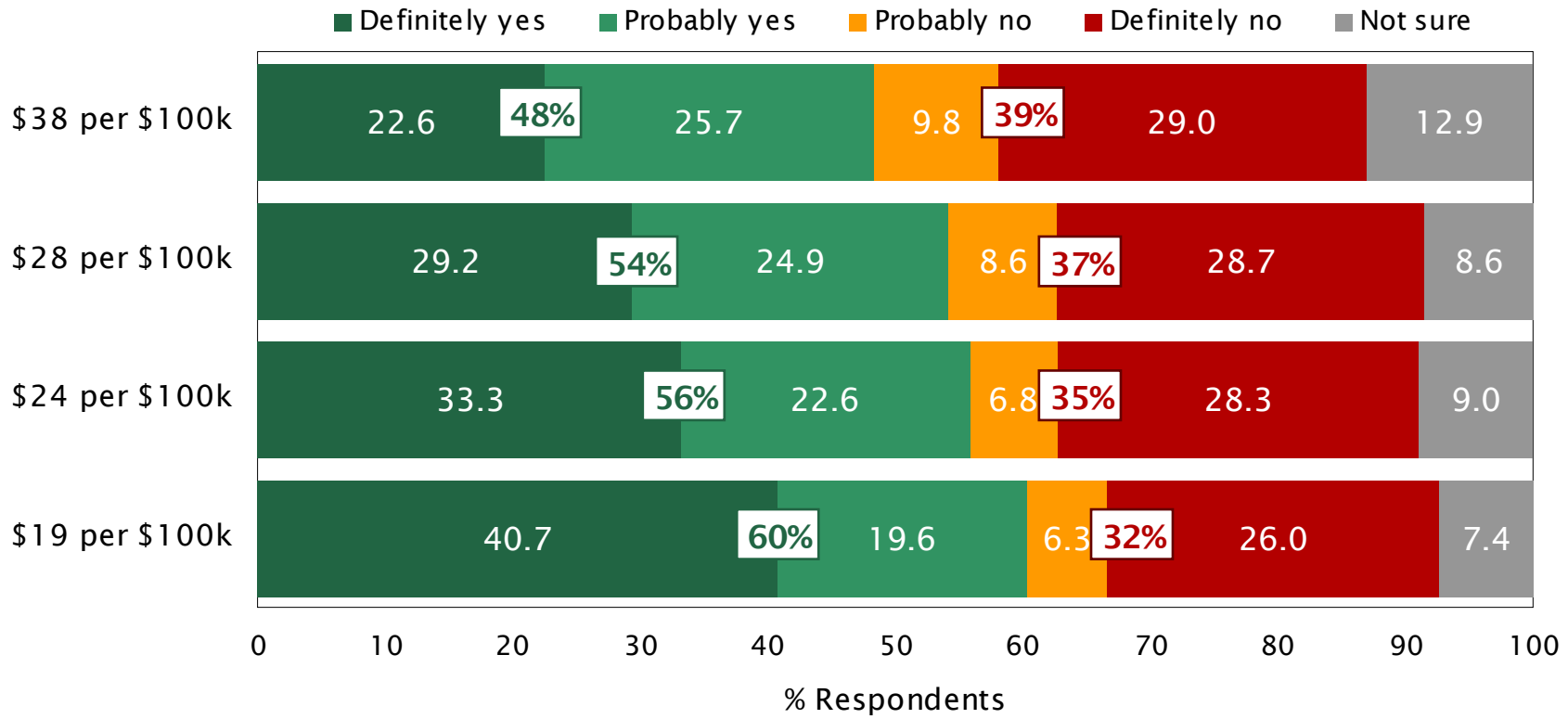
Shall Irvine Unified School District issue \$558 million in bonds at legal interest rates, with independent citizen oversight, no money for administrator salaries, and all money staying local? If the election were held today, would you vote yes or no on this measure?



INITIAL BALLOT TEST

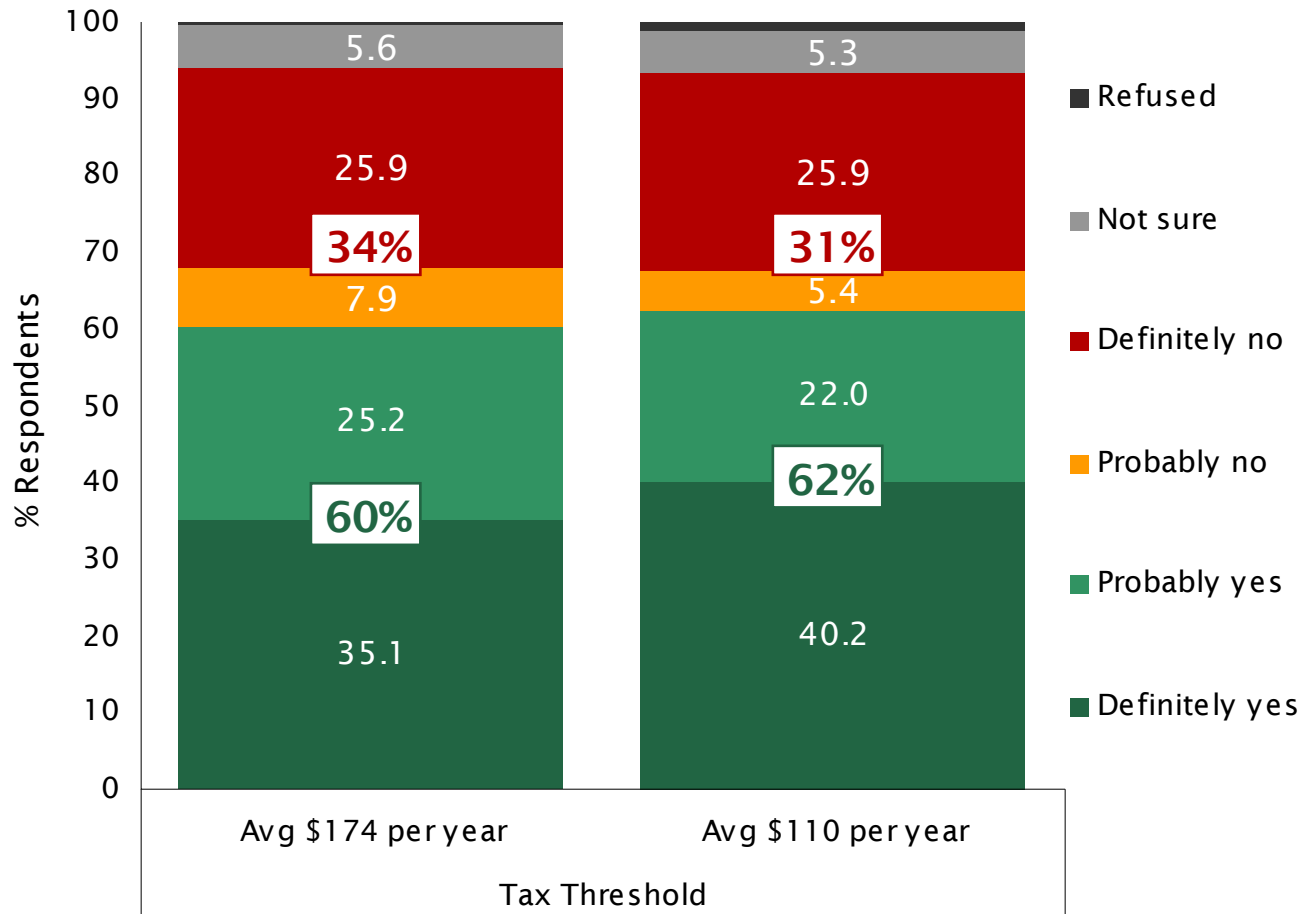


TAX THRESHOLD



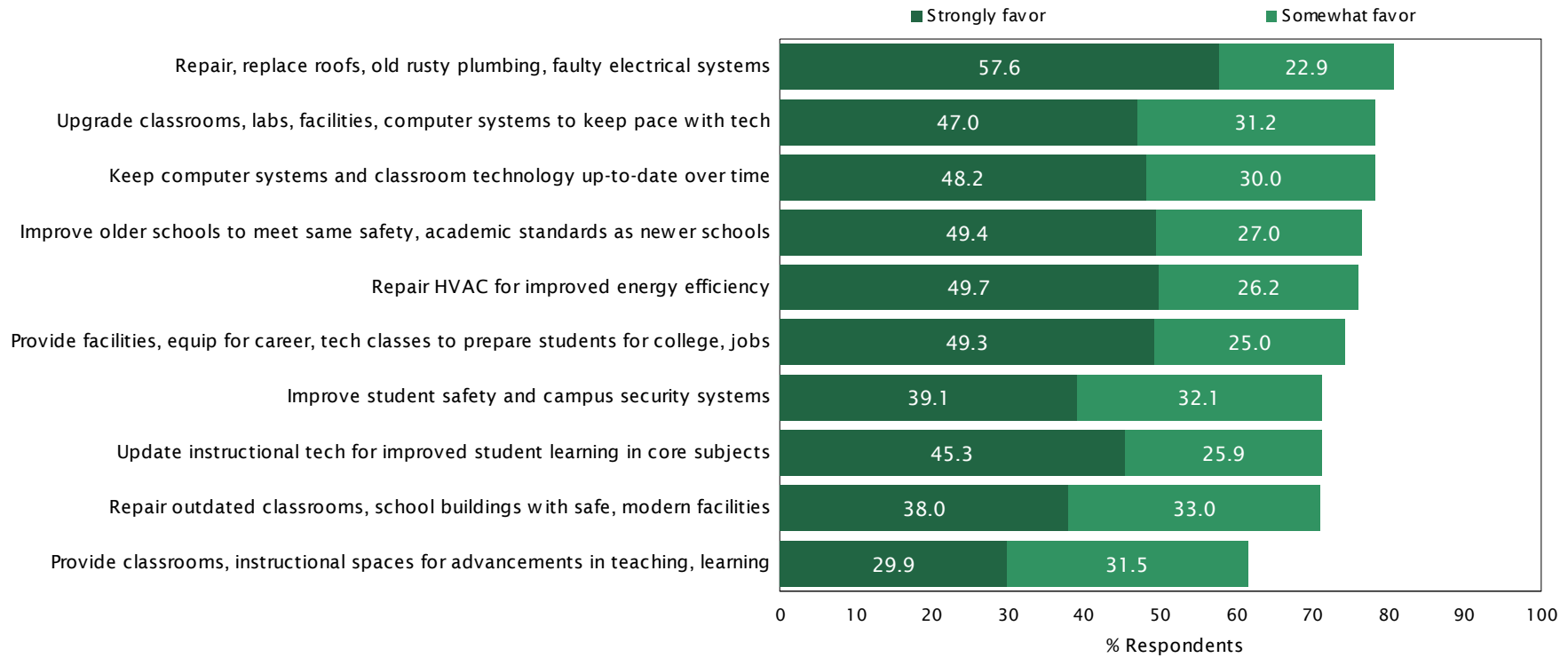


SUPPORT: AVERAGE OF \$174/\$110



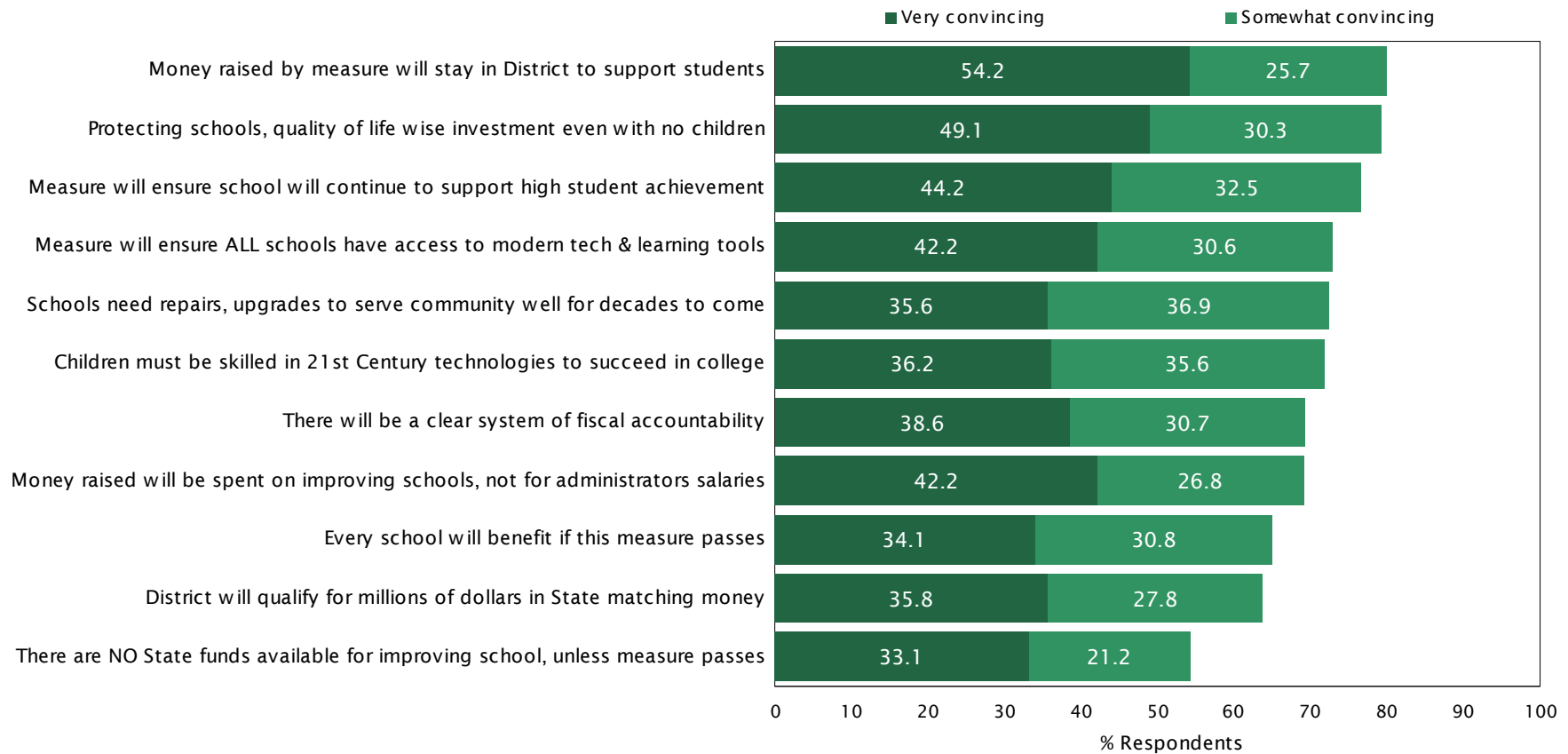


PROGRAMS & PROJECTS



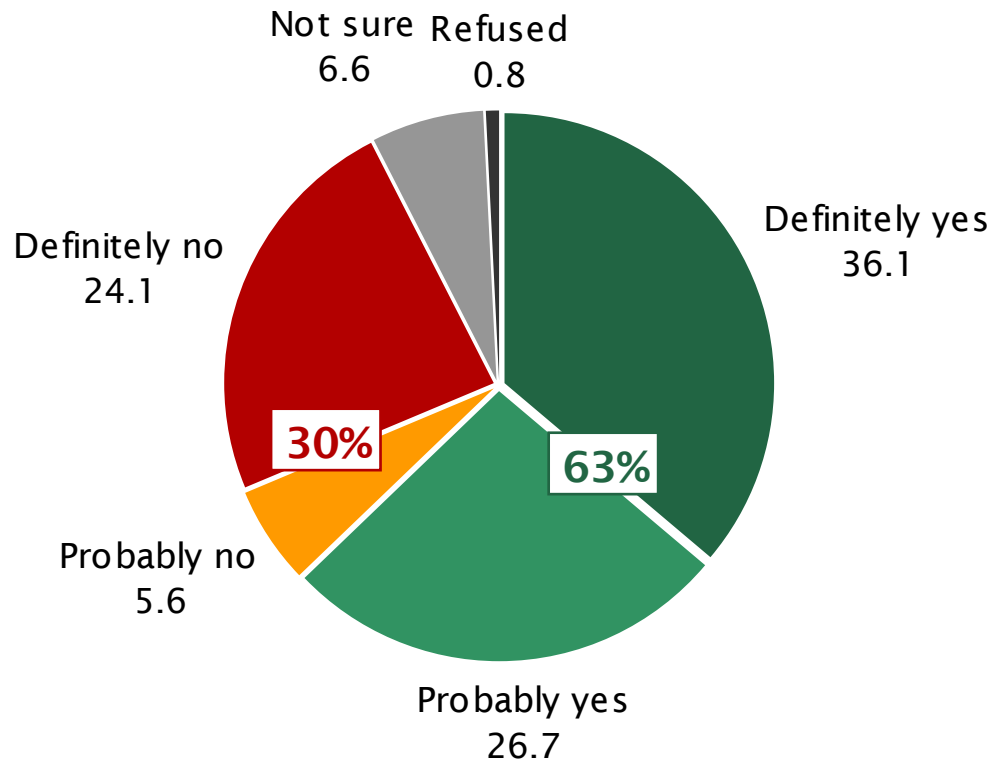


POSITIVE ARGUMENTS



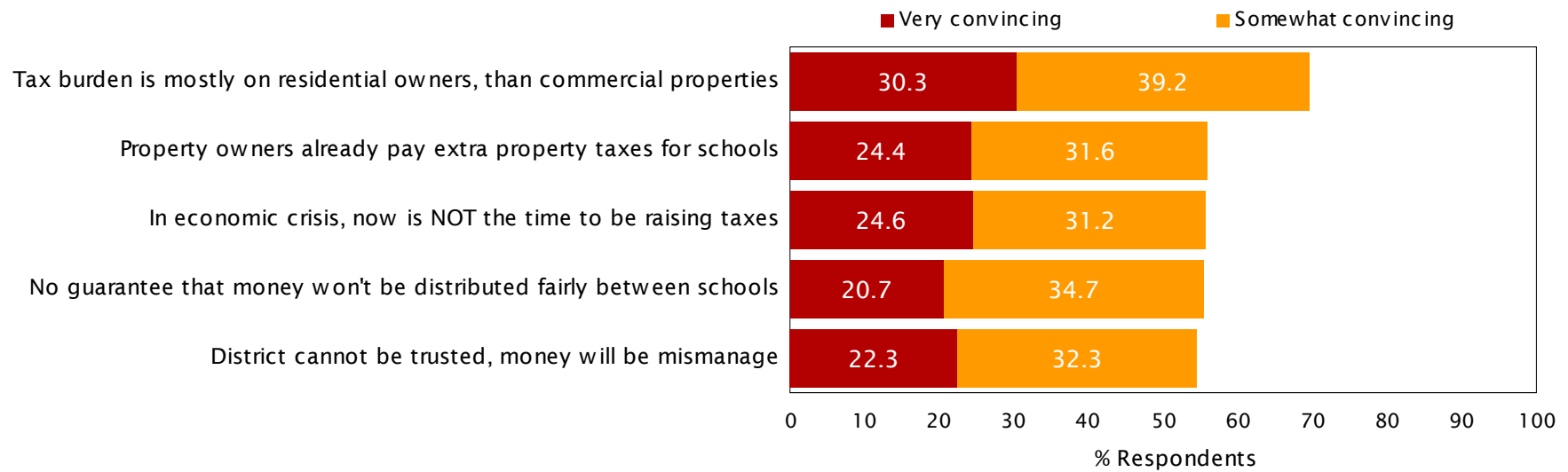


INTERIM BALLOT TEST



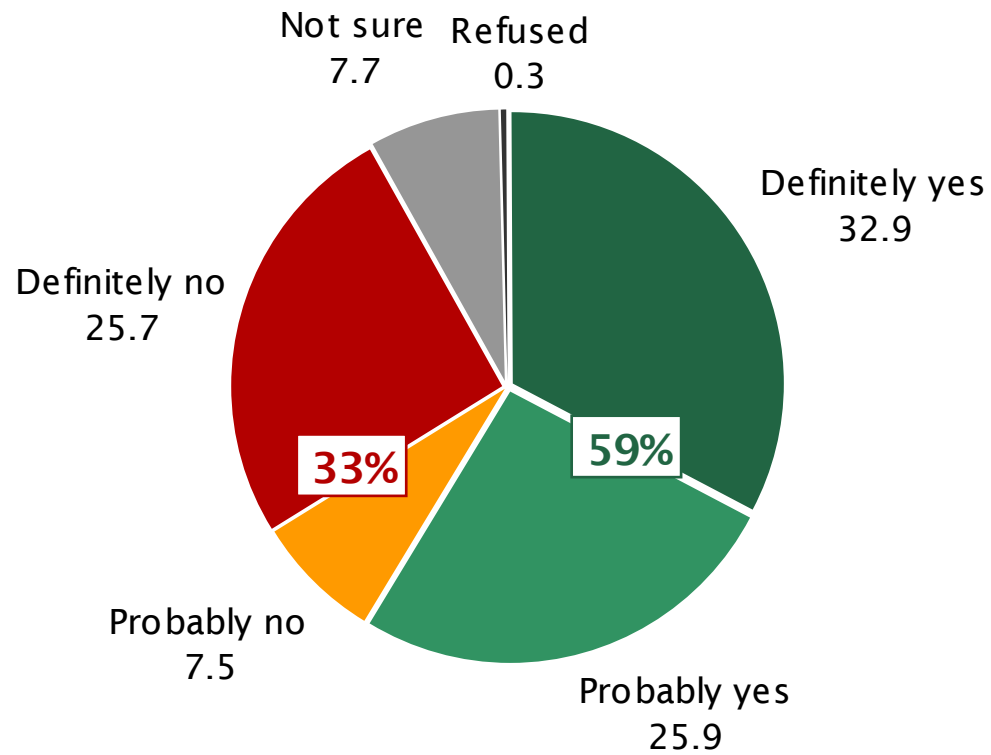


NEGATIVE ARGUMENTS





FINAL BALLOT TEST





KEY CONCLUSIONS

- Is it feasible to move forward with a bond measure?

Yes.

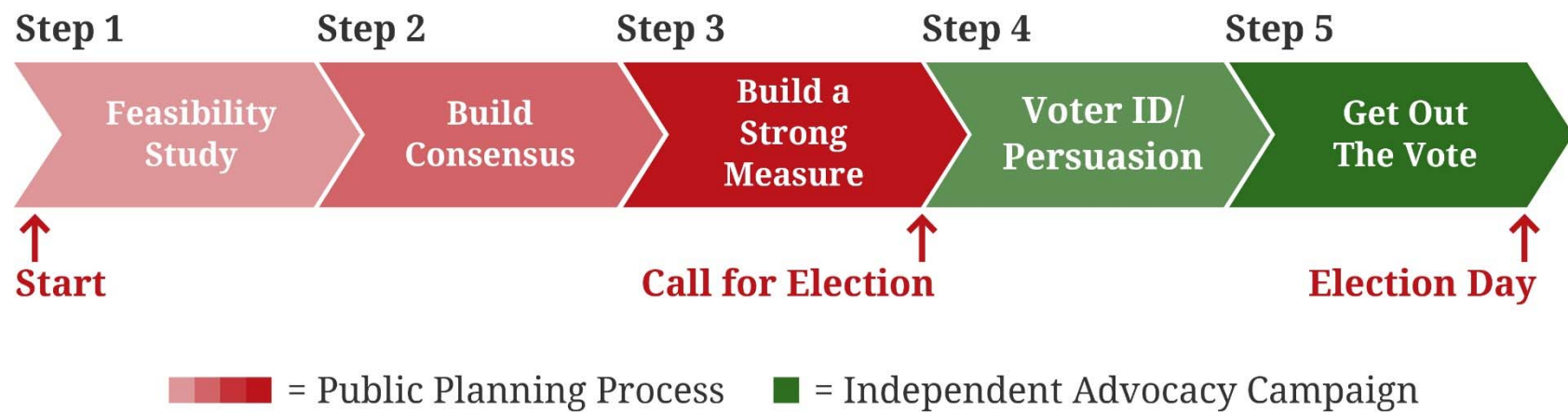
- Voters perceive that maintaining the quality of education is the *most* important issues facing the community
- Strong natural support for bond (64%)
- Popular projects
- Strong positive arguments
- All ballot tests are above 55% required for passage of Prop. 39 bond



CONSIDERATIONS

- Poll is a snapshot in time, not a crystal ball
- Price tag: important to keep the tax rate in a range that voters view as affordable (up to \$29 per \$100K AV)
- Election date: support is similar in June 2016 and November 2016
- Outreach & education are critical so voters understand the need, the plan, accountabilities, and the benefits to their particular communities

Bond Planning Process: Next Steps



Next Steps: Building Consensus



- Inform and engage internal school community
 - Parents
 - Staff
 - Students
 - PTAs and Boosters
- Inform and engage external community
 - Elected leaders
 - Business leaders
 - Ethnic community
 - Voters At-Large

Next Steps: Building the Measure



- Project list
- SFID boundaries
- Resolution calling election
- Ballot question
- Tax rate statement
- Board vote

Independent Advocacy Campaign



- Private fundraising
- Endorsements
- Direct mail
- Web/Social media

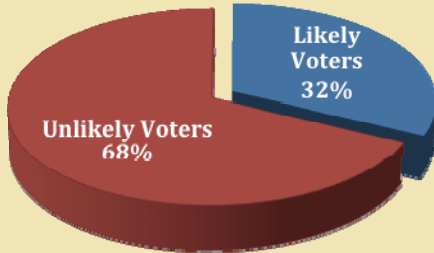
- Phone banks
- Precinct walks
- Lawn signs

Independent Advocacy Campaign

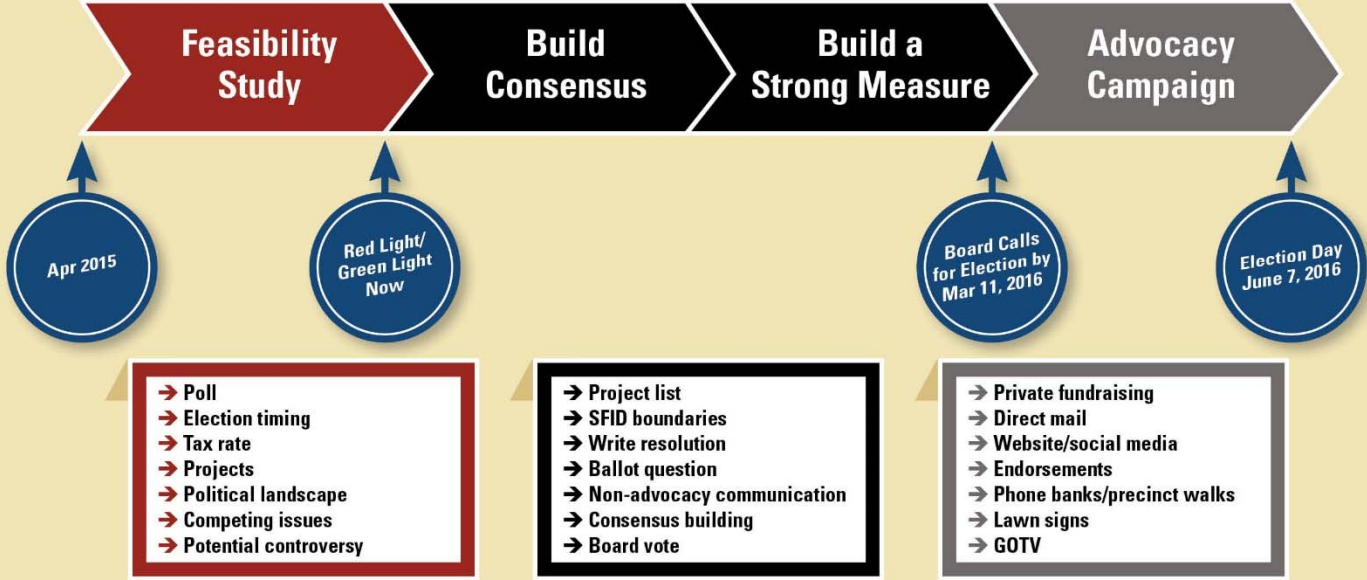


- Ensure strong parent participation
- Remind supporters to vote
- Track votes to a win

June 2016 Bond Timeline



IUSD Registered Voters: 93,993
 Expected Voter Turnout: 29,600 (32%)
 Votes Needed to Win: 16,280 (55%)





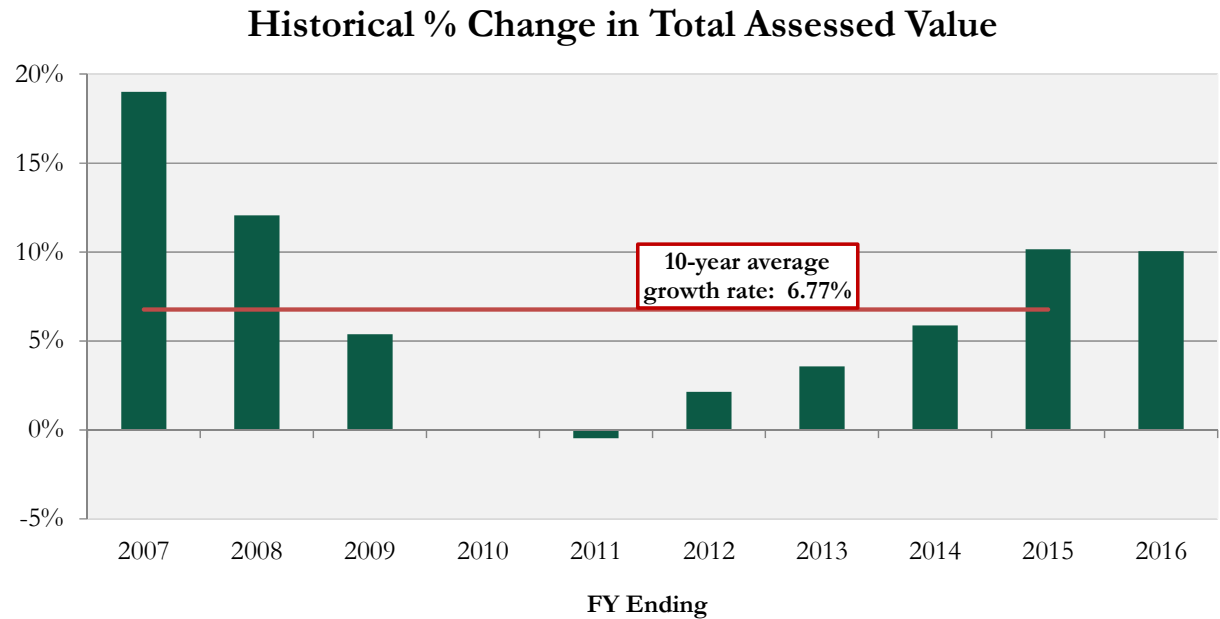
Potential 2016
General Obligation Bond Election
School Facility Improvement District Funding Options

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President
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949.295.5735 cell
abauer@fieldman.com

August 18, 2015

District-Wide Historical Assessed Valuation

FY Ending	Assessed Valuation ⁽¹⁾	% Change
2006	\$24,945,799,586	-
2007	29,685,145,799	19.00%
2008	33,264,930,824	12.06%
2009	35,055,759,151	5.38%
2010	35,037,287,346	-0.05%
2011	34,873,409,942	-0.47%
2012	35,622,966,656	2.15%
2013	36,898,045,309	3.58%
2014	39,066,926,046	5.88%
2015	43,034,993,555	10.16%
2016 ⁽²⁾	47,362,785,309	10.06%
10-yr average:		6.77%



⁽¹⁾Total Before Redevelopment Increment

⁽²⁾Estimated by Auditor-Controller, not official until August 20th

Fiscal Year	Assessed Value	Factor	Bonding Capacity
2015-16	\$47,362,785,309	2.50%	\$1,184,069,633

Outstanding Principal as of 8/18/15	Remaining Capacity as of 8/18/15
-	\$1,184,069,633

Total Assessed Value for Possible School Facility Improvement District (“SFID”)

Fiscal Year 2014-15

Irvine Unified School District

(Unsecured and CFD Nos. 08-1 and 09-1 values excluded)

Secured Assessed Value	\$40,737,071,101
Unsecured Assessed Value	2,297,922,454
Total Assessed Value⁽¹⁾	\$43,034,993,555

Total Assessed Value	\$43,034,993,555
Less: Unsecured Assessed Value	2,297,922,454
Less: CFD No. 09-1 Assessed Value	2,052,364,346
Less: CFD No. 08-1 Assessed Value	141,883,247
Total Assessed Value for SFID	\$38,542,823,508

Estimated Tax for Median Homeowner

Tax Rate (per \$100,000 of AV)	Estimated Tax for Median AV (\$459,245) Single & Multi- Family Homeowner*	Estimated Tax for Median AV (\$520,146) Single-Family Homeowner*	Total Amount for Projects	Years to Final Bond Issuance
\$29	\$133.18	\$150.84	\$547 million	12 yrs
\$28	128.59	145.64	\$528 million	12 yrs
\$27	124.00	140.44	\$510 million	12 yrs
\$26	119.40	135.24	\$491 million	12 yrs
\$25	114.81	130.04	\$472 million	12 yrs
\$24	110.22	124.84	\$453 million	12 yrs

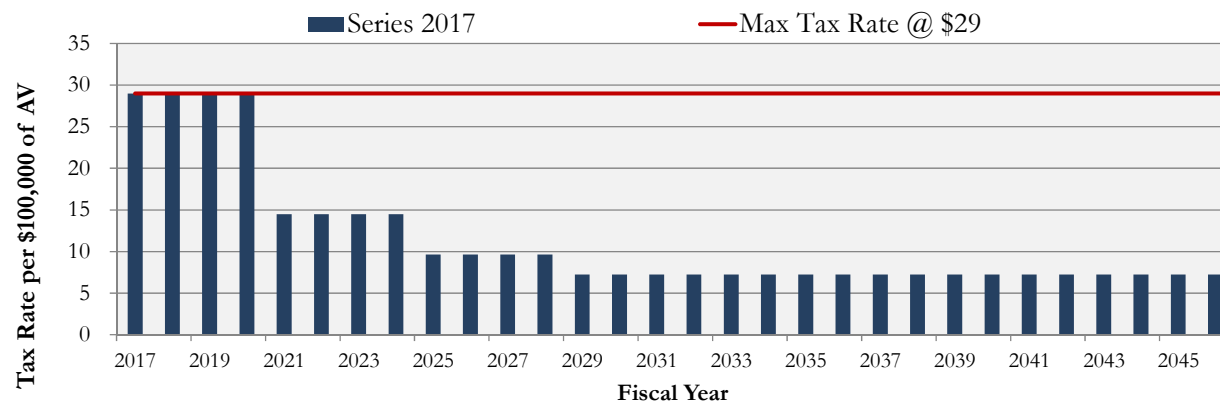
\$29 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service

- A successful GO Bond election held in June or November 2016 would allow the School District to issue its first series of bonds for approximately \$150 million in early 2017
- Allows the School District to leave capacity in the \$29 tax rate for future bond issuances
- Allows for capacity should AV grow slower than estimates

2016 GO Bond Election

Estimated Tax Rates⁽¹⁾⁽²⁾



Series 2017	
Issue Date	2/1/2017
Par Amount	149,540,000
Project Amount	148,243,220
Final Maturity Date	8/1/2046
Repayment Ratio	1.74
Percentage of CIBs	100%
Percentage of CABs	0%



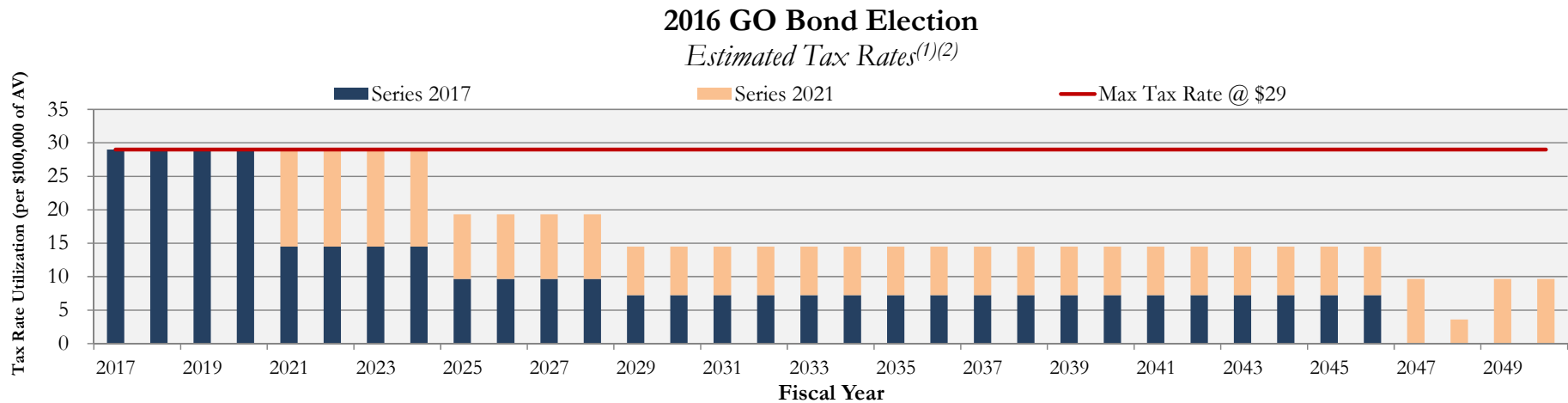
⁽¹⁾Assumes 4.83% growth in AV for FY 16-17 and every year thereafter.

⁽²⁾Assumes MMD 10-year average 'AA' scale per maturity.

\$29 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service

- A second series of bonds issued in 2021 allows for additional \$136 million for school facilities
- Wraps around existing Series 2017 debt using only current interest bonds



	Series 2017	Series 2021	Total
Issue Date	2/1/2017	2/1/2021	-
Par Amount	149,540,000	135,800,000	285,340,000
Project Amount	148,243,220	134,599,400	282,842,620
Final Maturity Date	8/1/2046	8/1/2050	-
Repayment Ratio	1.74	1.98	1.86
Percentage of CIBs	100%	100%	100%
Percentage of CABs	0%	0%	0%

⁽¹⁾Assumes 4.83% growth in AV for FY 16-17 and every year thereafter.

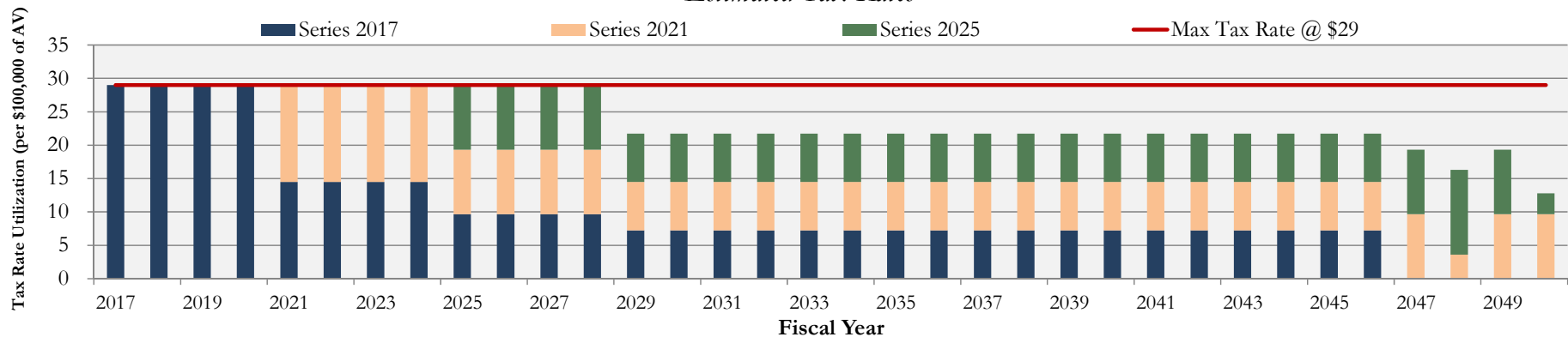
⁽²⁾Assumes MMD 10-year average 'AA' scale per maturity.

\$29 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service

- A third series of bonds issued in 2025 allows for additional \$130 million for school facilities
- Wraps around existing Series 2017 and Series 2021 debt while leaving capacity for last series of bonds

2016 GO Bond Election
Estimated Tax Rates⁽¹⁾⁽²⁾



	Series 2017	Series 2021	Series 2025	Total
Issue Date	2/1/2017	2/1/2021	2/1/2025	-
Par Amount	149,540,000	135,800,000	129,695,000	415,035,000
Project Amount	148,243,220	134,599,400	128,537,135	411,379,755
Final Maturity Date	8/1/2046	8/1/2050	8/1/2050	-
Repayment Ratio	1.74	1.98	1.86	1.86
Percentage of CIBs	100%	100%	100%	100%
Percentage of CAB:	0%	0%	0%	0%

⁽¹⁾Assumes 4.83% growth in AV for FY 16-17 and every year thereafter.

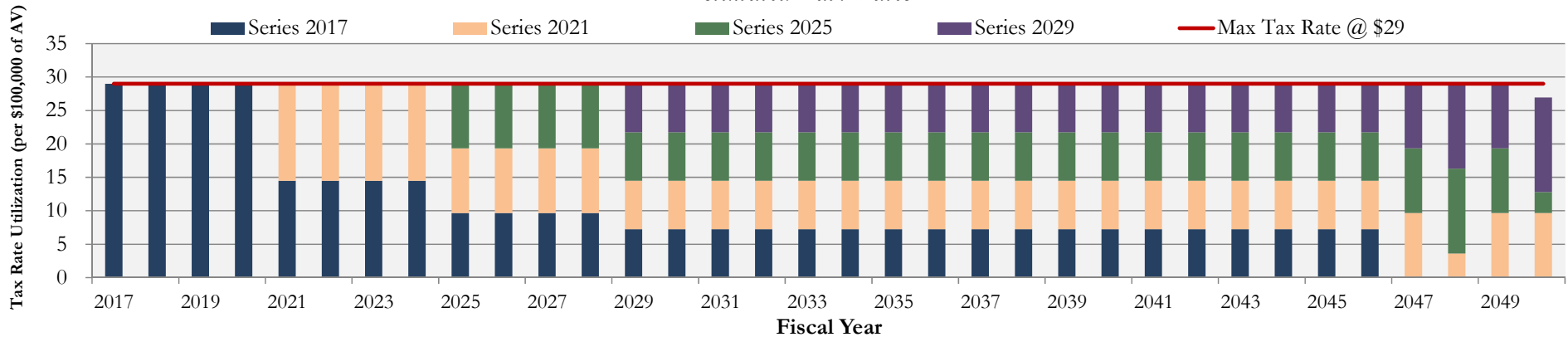
⁽²⁾Assumes MMD 10-year average 'AA' scale per maturity.

\$29 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service

- A successful GO Bond election held in June or November 2016 would allow the School District to issue new money by early 2017 and issue \$552 million in total within 12 years
 - *Only Current Interest Bonds and 4.83% annual growth in Assessed Valuation*

2016 GO Bond Election
Estimated Tax Rates⁽¹⁾⁽²⁾



	Series 2017	Series 2021	Series 2025	Series 2029	Total
Issue Date	2/1/2017	2/1/2021	2/1/2025	2/1/2029	-
Par Amount	149,540,000	135,800,000	129,695,000	137,215,000	552,250,000
Project Amount	148,243,220	134,599,400	128,537,135	136,004,495	547,384,250
Final Maturity Date	8/1/2046	8/1/2050	8/1/2050	8/1/2050	-
Repayment Ratio	1.74	1.98	1.86	1.73	1.83
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 4.83% growth in AV for FY 16-17 and every year thereafter.

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