

SFID BOND FEASIBILITY STUDY

CONDUCTED FOR THE
IRVINE
UNIFIED SCHOOL DISTRICT

CONDUCTED BY
TIMOTHY McLARNEY PH.D.

11/17/2015





PURPOSE OF STUDY

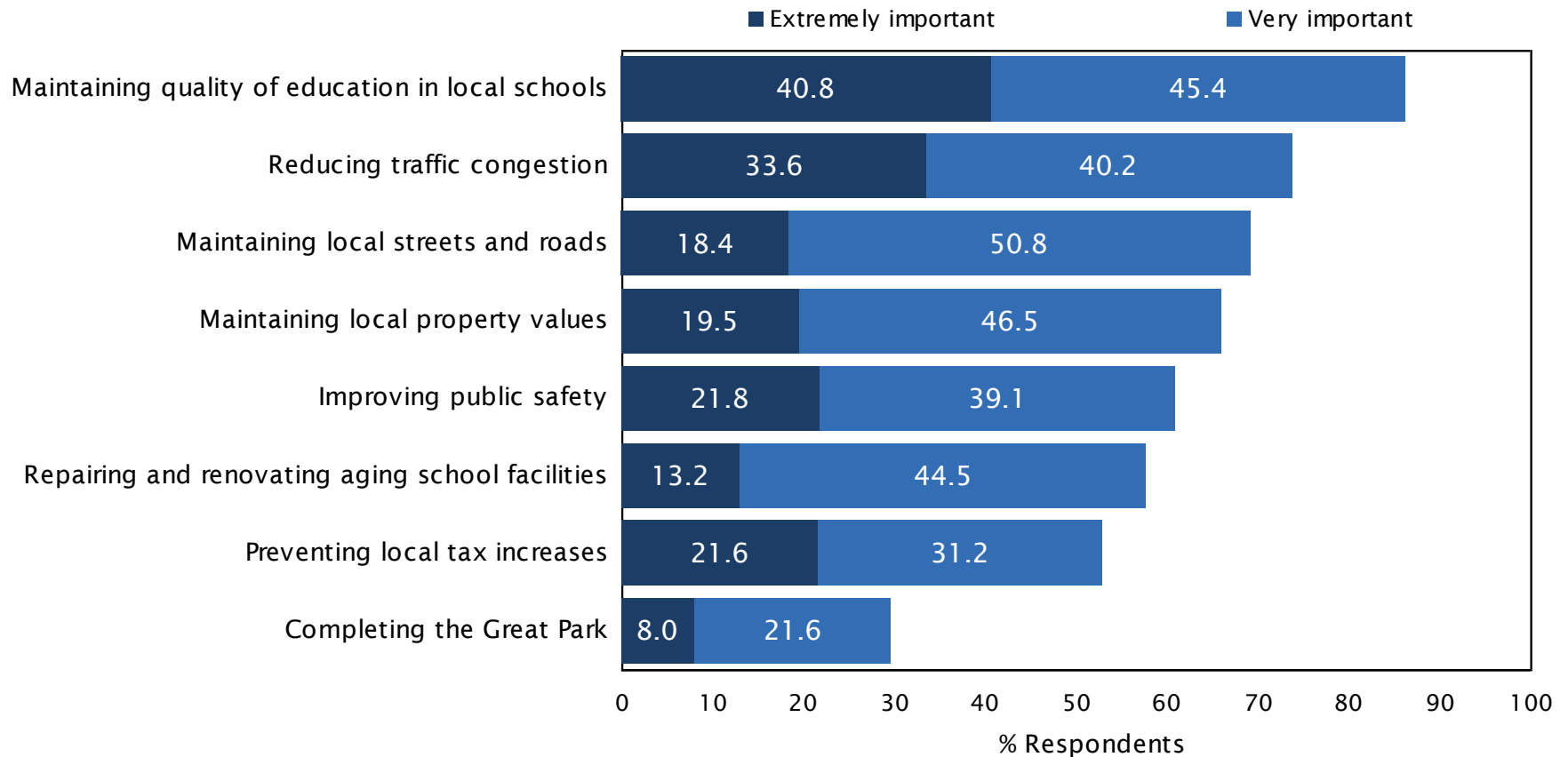
- Determine if a bond measure is feasible within updated SFID boundaries
- Identify how to create a measure consistent with community priorities
- Gather information needed for communications & outreach



METHODOLOGY OF STUDY

- Telephone survey
- 18 minutes
- Conducted October 30th to November 5th, 2015
- 400 likely June 2016 voters selected at random from within proposed SFID boundaries
- Overall margin of error of $\pm 4.9\%$

IMPORTANCE OF ISSUES





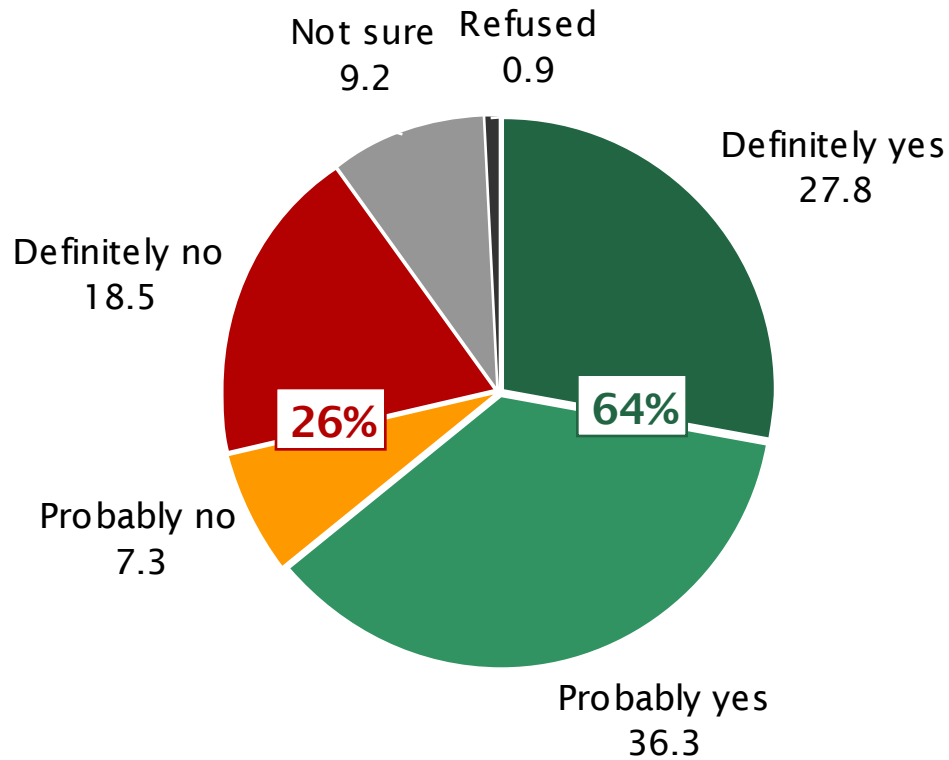
INITIAL BALLOT TEST

In order to:

- Upgrade classrooms, science labs and career-training facilities with locally-controlled funding that can't be taken away by the State
- Keep classroom computers and technology up-to-date
- Replace aging roofs, plumbing, electrical systems and inefficient heating and cooling systems
- And improve older schools so they meet the same safety and academic standards as newer schools

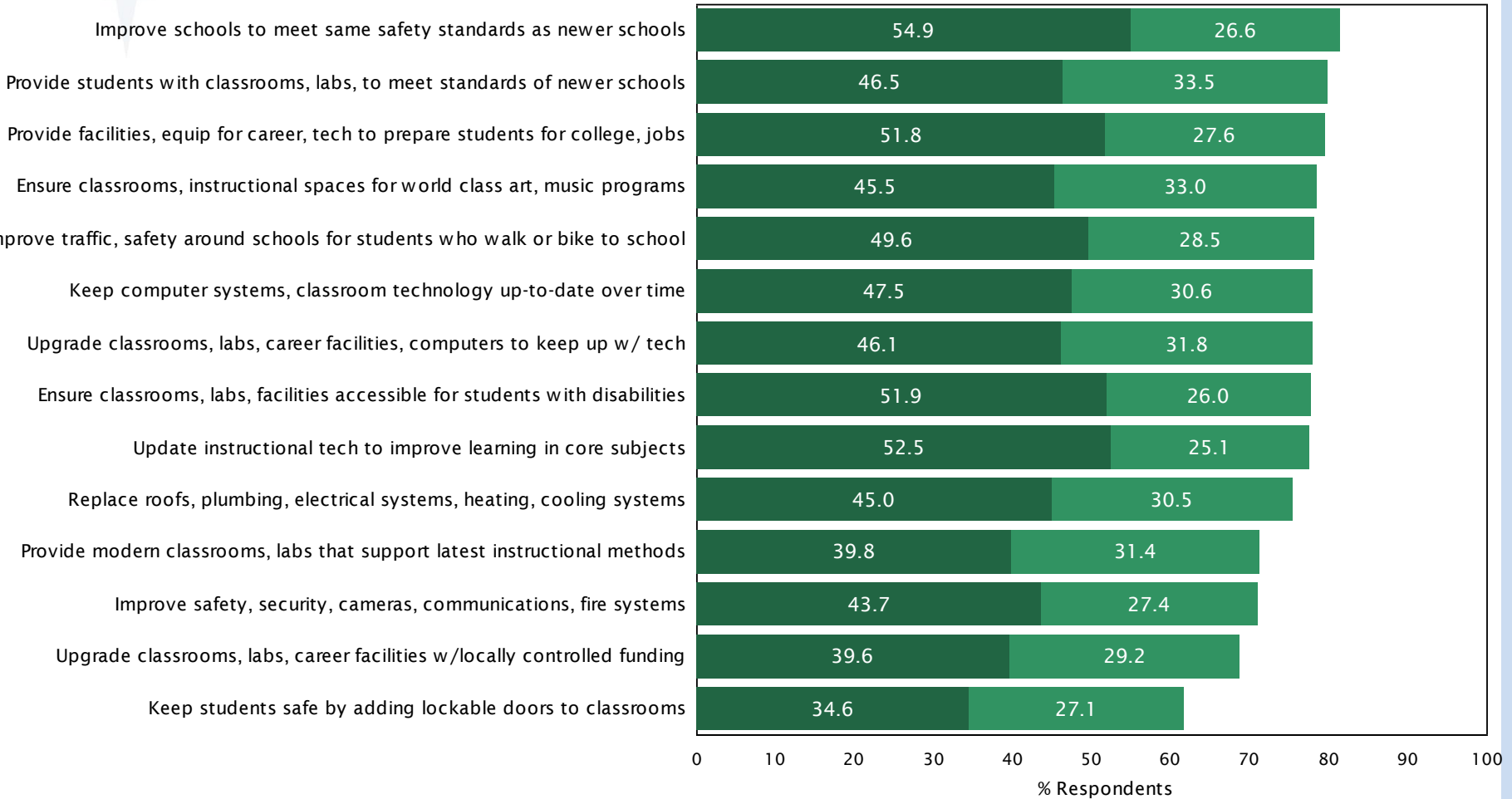
Shall the School Facilities Improvement District Number #1 of the Irvine Unified School District issue \$376 million dollars in bonds at legal rates, with independent oversight, mandatory audits, no money for administrator salaries, and all funds benefiting local schools? If the election were held today, would you vote yes or no on this measure?

INITIAL BALLOT TEST

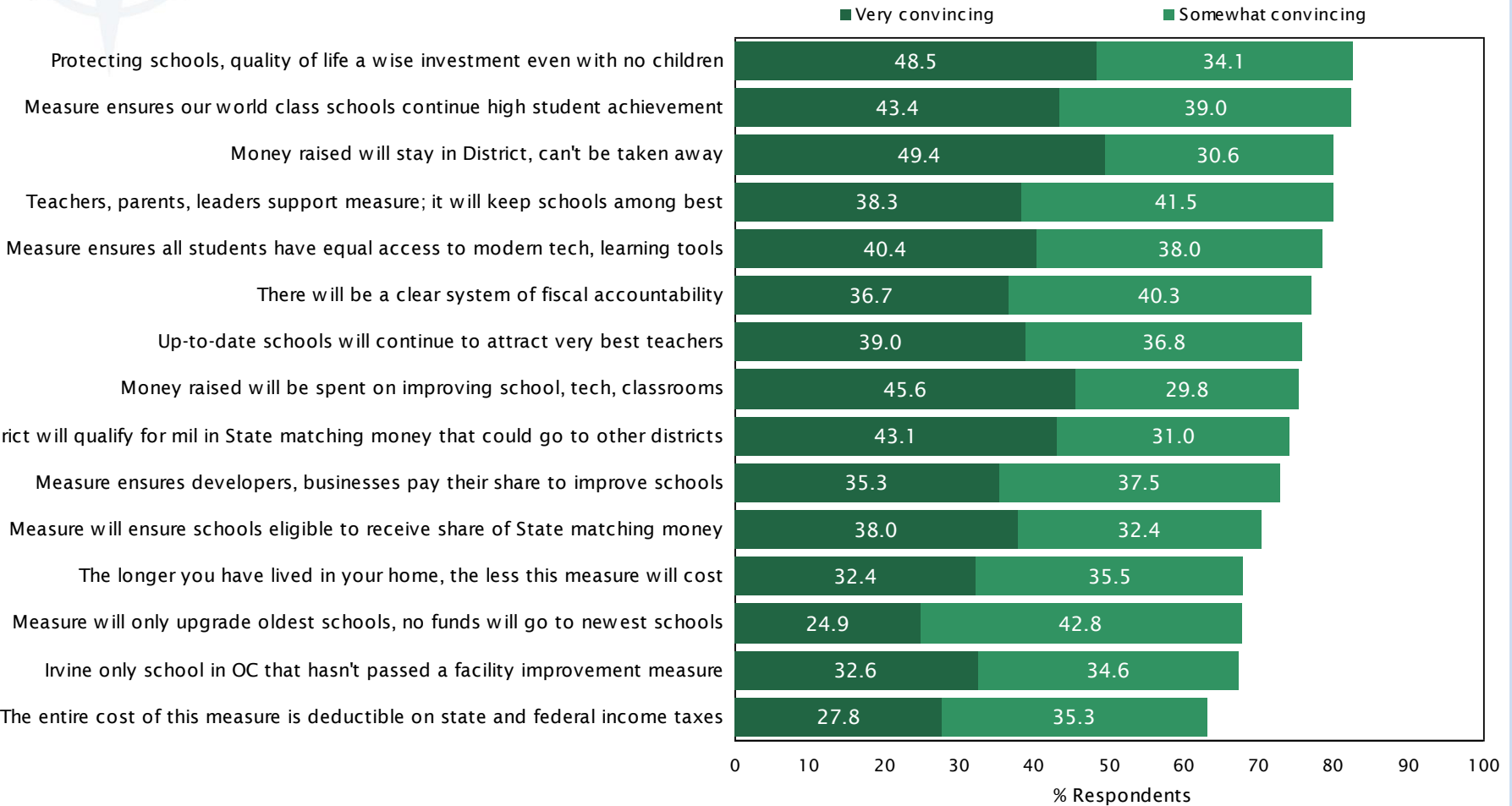


PROGRAMS & PROJECTS

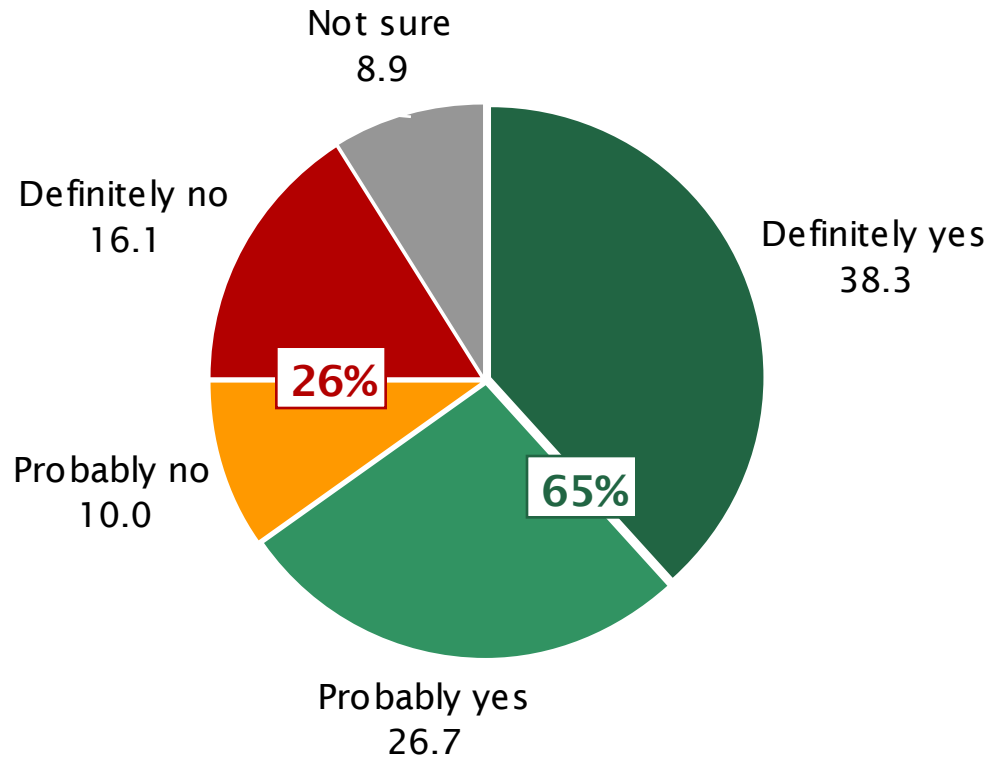
■ Strongly favor ■ Somewhat favor



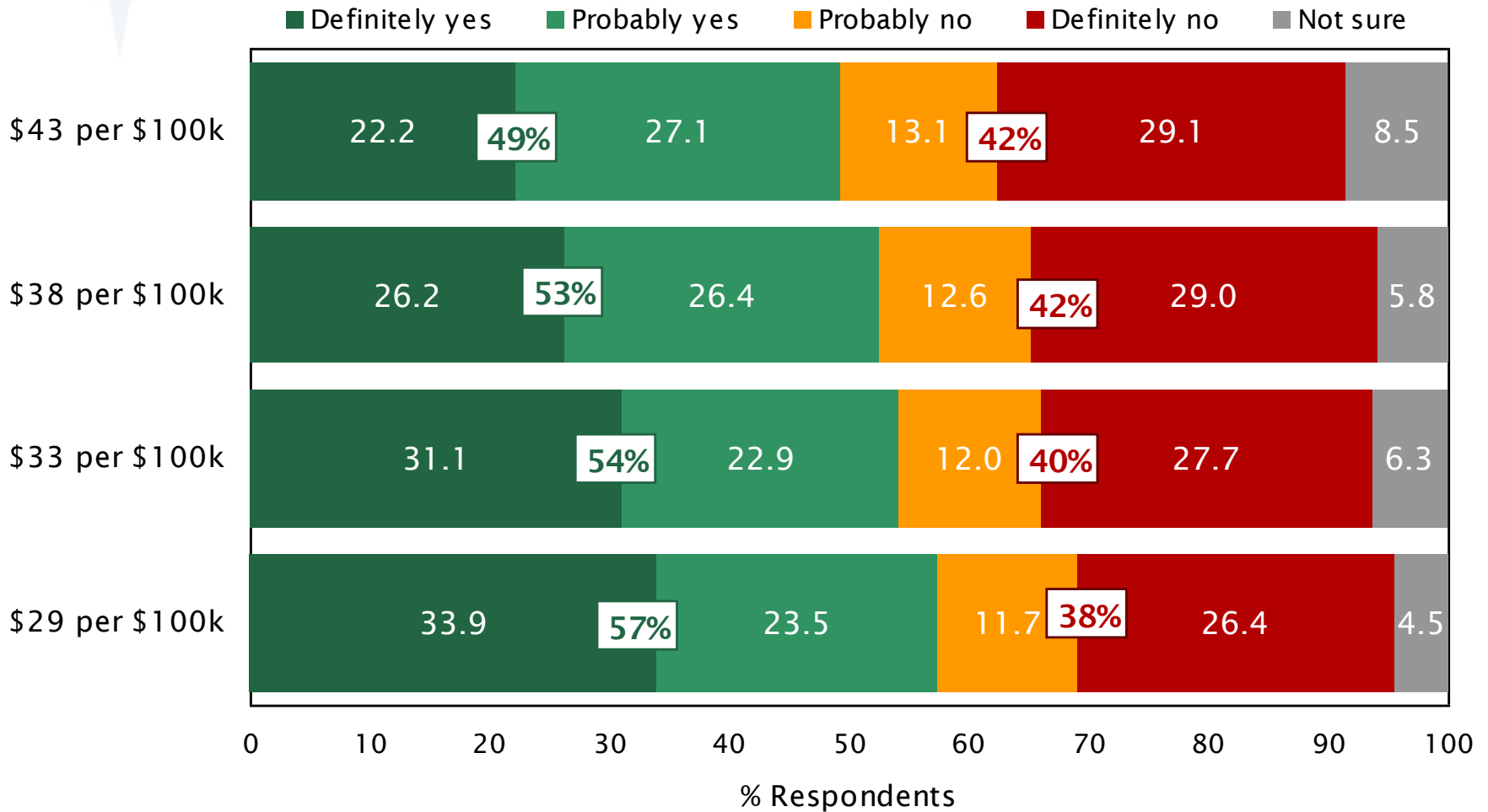
POSITIVE ARGUMENTS



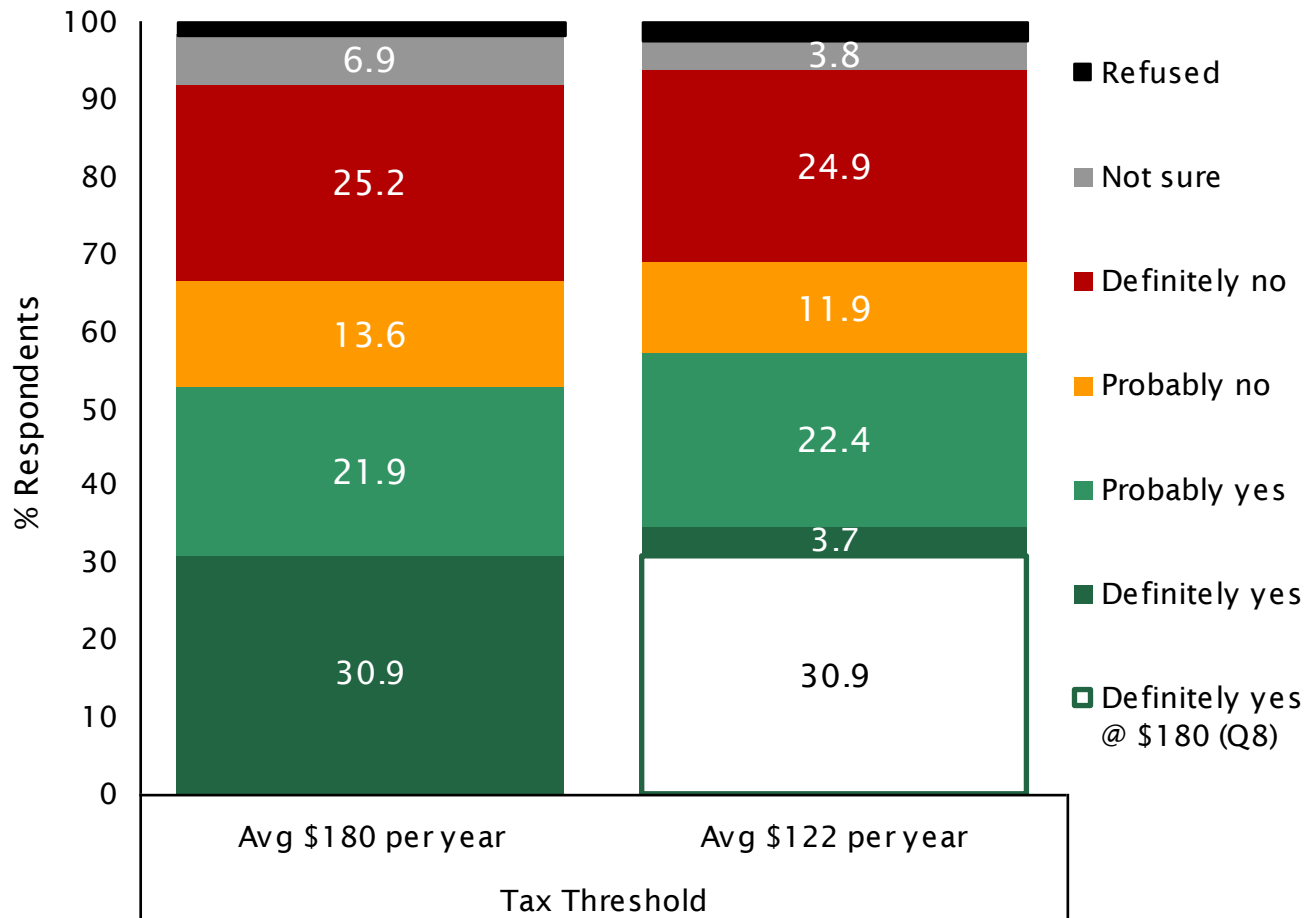
INTERIM BALLOT TEST



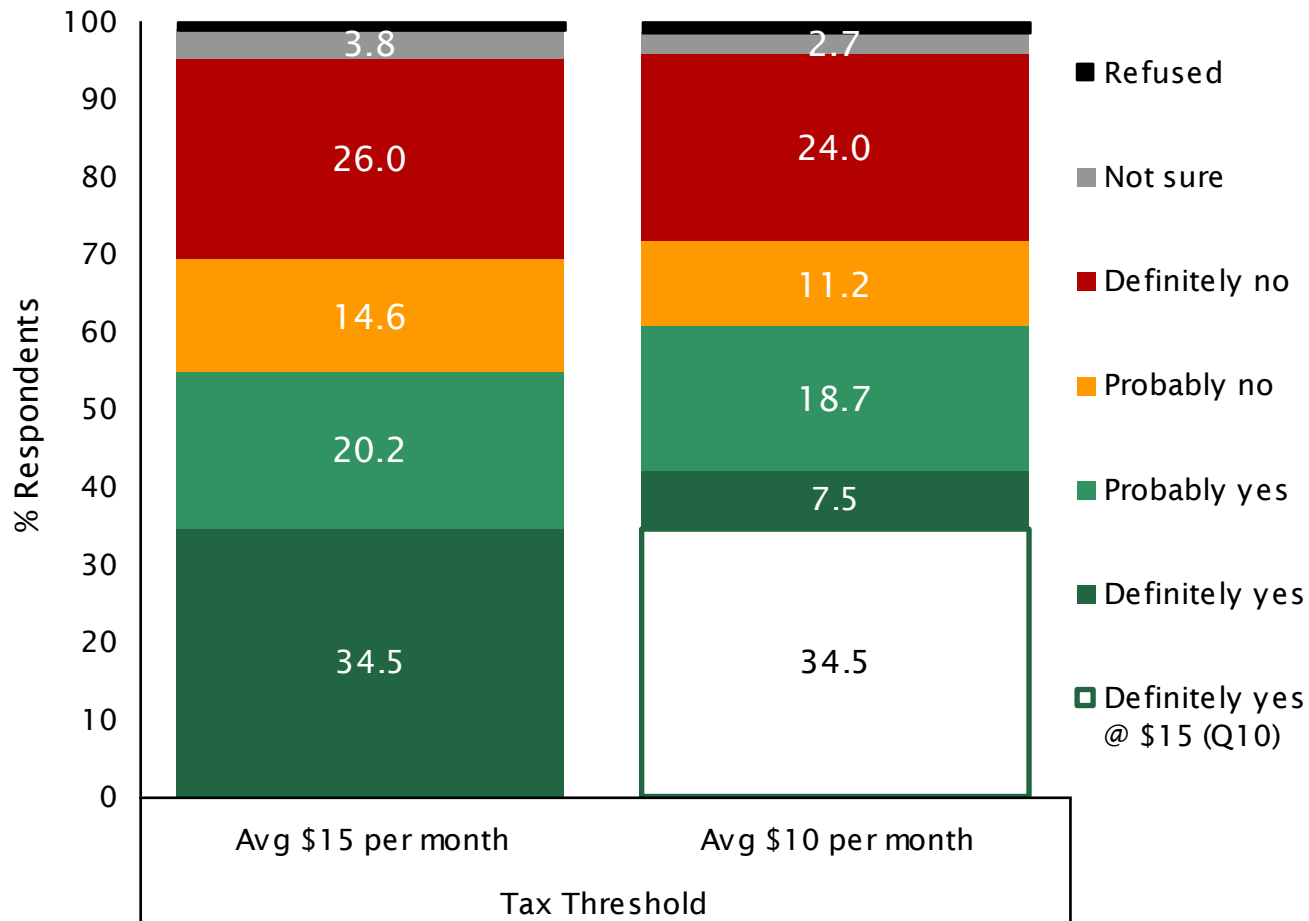
TAX THRESHOLD



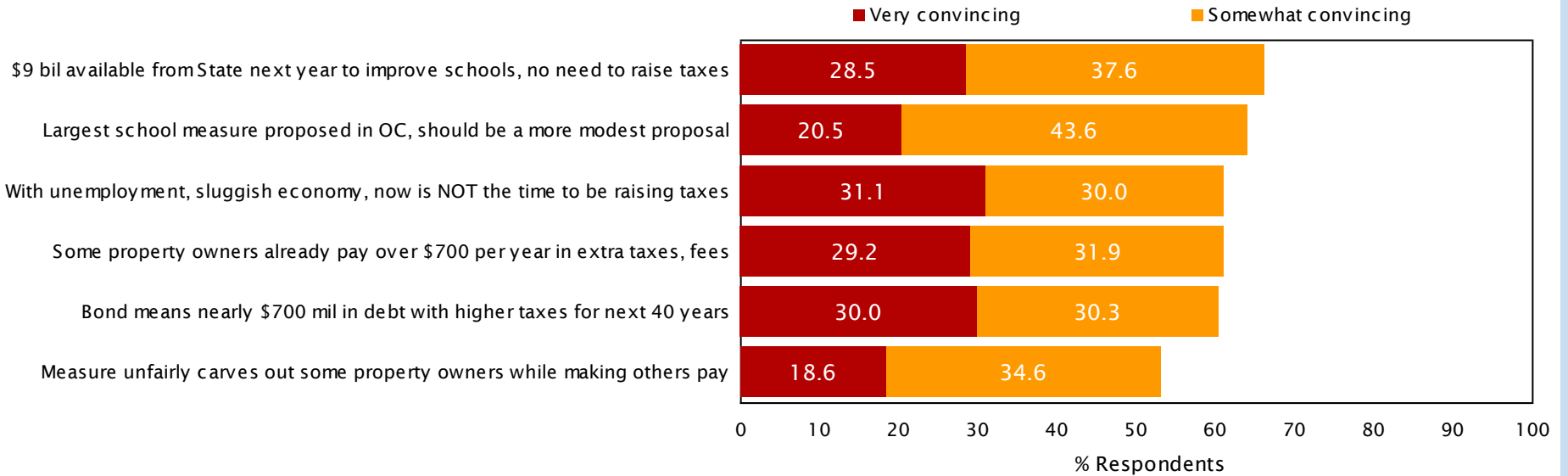
SUPPORT: AVERAGE OF \$180/\$122 PER YEAR



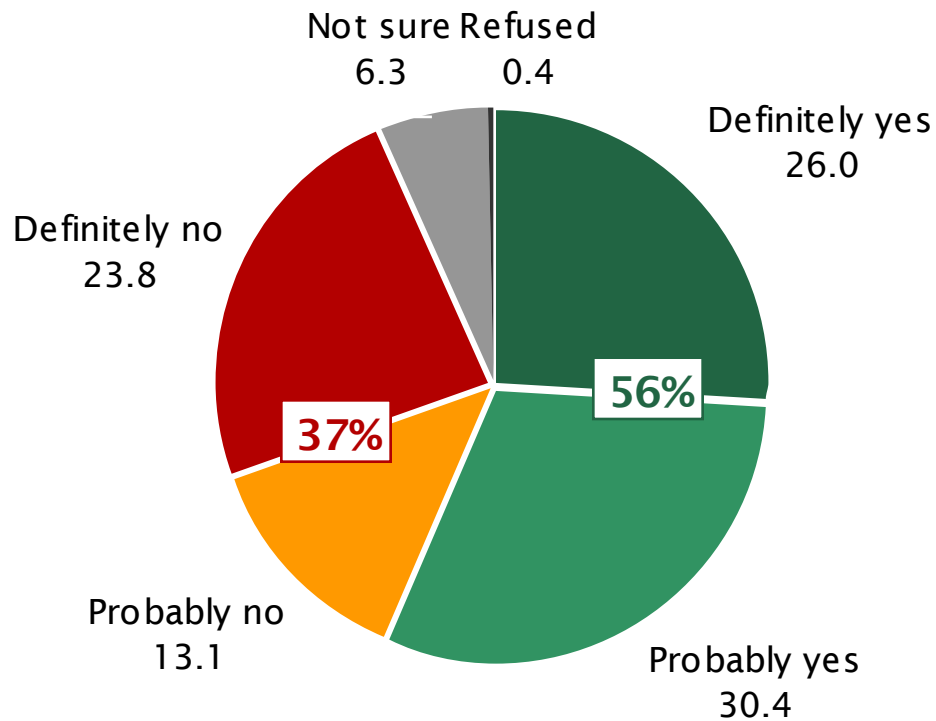
SUPPORT: AVERAGE OF \$15/\$10 PER MONTH



NEGATIVE ARGUMENTS



FINAL BALLOT TEST





KEY CONCLUSIONS

- Is it feasible to move forward with a bond measure in the updated SFID? **Yes.**
 - Voters perceive that maintaining the quality of education and upgrading aging school facilities are more important than preventing local tax increases
 - 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
- Outreach & education are critical so voters understand the need, the plan, accountabilities, and the benefits to their particular communities



TIMELINE AND NEXT STEPS

Event/Task	Deadline
SFID Boundary Map Finalized	December 2015
Resolution of Intention to Form SFID (adoption of SFID boundaries)	January 26, 2016
Resolution of SFID Formation and Bond Election Resolution (including bond project list)	March 1, 2016
Last Day to Deliver Board-Adopted Bond Resolution to Registrar of Voters	March 11, 2016
Election Day	June 7, 2016



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

Adam Bauer

President

Fieldman, Rolapp & Associates

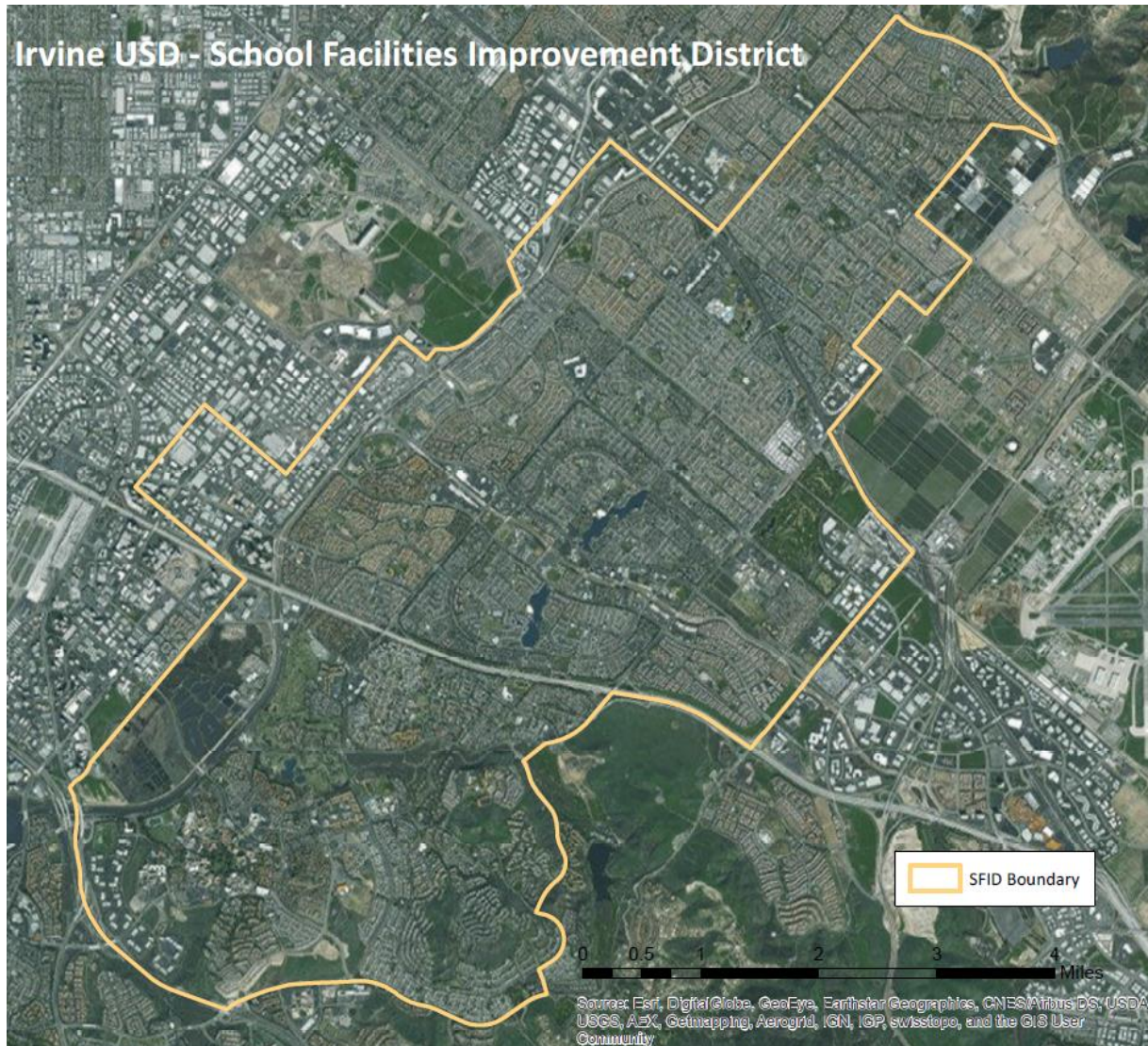
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November 17, 2015

SFID Boundary Map



SFID Boundaries and Tax Rates Under Consideration

Scenario	SFID Boundary Description	Tax Rate (per \$100,000 of AV)	Total Bonding Amount
1	SFID Proposed Boundary	\$29	\$251 M
2	SFID Proposed Boundary	\$33	\$286 M
3	SFID Proposed Boundary	\$38	\$329M
4	SFID Proposed Boundary	\$43	\$372 M

Estimated Tax for Median Homeowner

SFID Scenario	Tax Rate per \$100,000 of Assessed Value	Total Amount for Projects	Estimated Tax for Median AV (\$419,351) Single & Multi-Family SFID Homeowner*	Estimated Tax for Median AV (\$473,234) Single-Family SFID Homeowner*
1	\$29	\$251 M	\$121.61	\$137.24
2	\$33	\$286 M	\$138.39	\$156.17
3	\$38	\$329 M	\$159.35	\$179.83
4	\$43	\$372 M	\$180.32	\$203.49

* Provided by California Municipal Statistics, Inc.

Total Secured Assessed Value for Possible School Facility Improvement District Scenarios 1-4

	Parcels *	AV with CFD 86-1 only	AV with No CFD Overlay	Total Proposed SFID AV	IUSD AV Excluded from Proposed SFID
Proposed SFID	42,899	\$6,191,272,632	\$17,538,454,868	\$23,729,727,500	\$21,184,138,810

*The parcels with the Proposed SFID boundary were provided by Scott Associates.

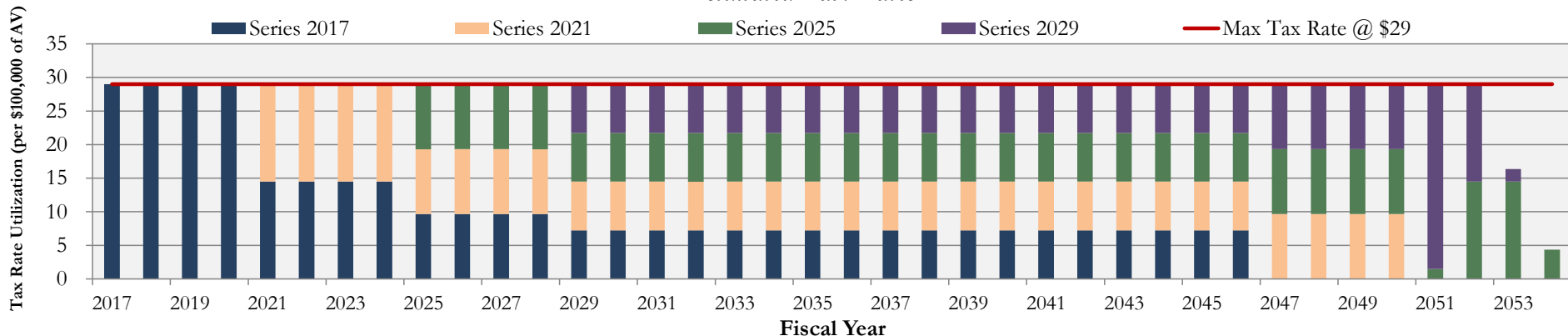
\$29 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service (Scenario 1)

- 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 \$254 million in total within 12 years
 - *Only Current Interest Bonds and 3.00% 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	72,950,000	60,105,000	59,930,000	60,660,000	253,645,000
Project Amount	72,189,350	59,434,265	59,260,490	59,985,380	250,869,485
Final Maturity Date	8/1/2046	8/1/2050	8/1/2054	8/1/2053	-
Repayment Ratio	1.62	1.87	2.00	1.86	1.83
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 3.00% growth in AV for FY 16-17 and every year thereafter.

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

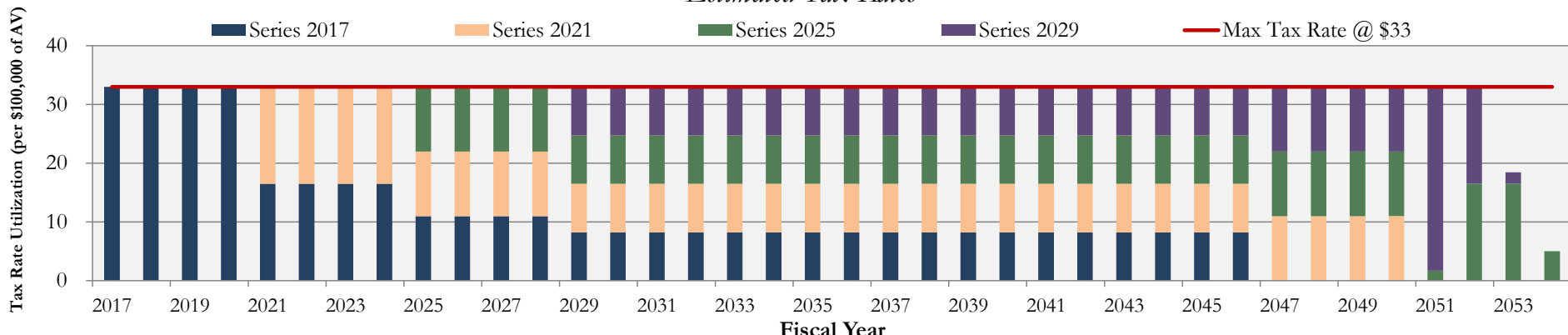
\$33 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service (Scenario 2)

- 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 \$289 million in total within 12 years
 - *Only Current Interest Bonds and 3.00% 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	83,020,000	68,405,000	68,200,000	68,990,000	288,615,000
Project Amount	82,188,860	67,676,165	67,472,600	68,257,070	285,594,695
Final Maturity Date	8/1/2046	8/1/2050	8/1/2054	8/1/2053	-
Repayment Ratio	1.62	1.87	2.00	1.86	1.83
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 3.00% growth in AV for FY 16-17 and every year thereafter.

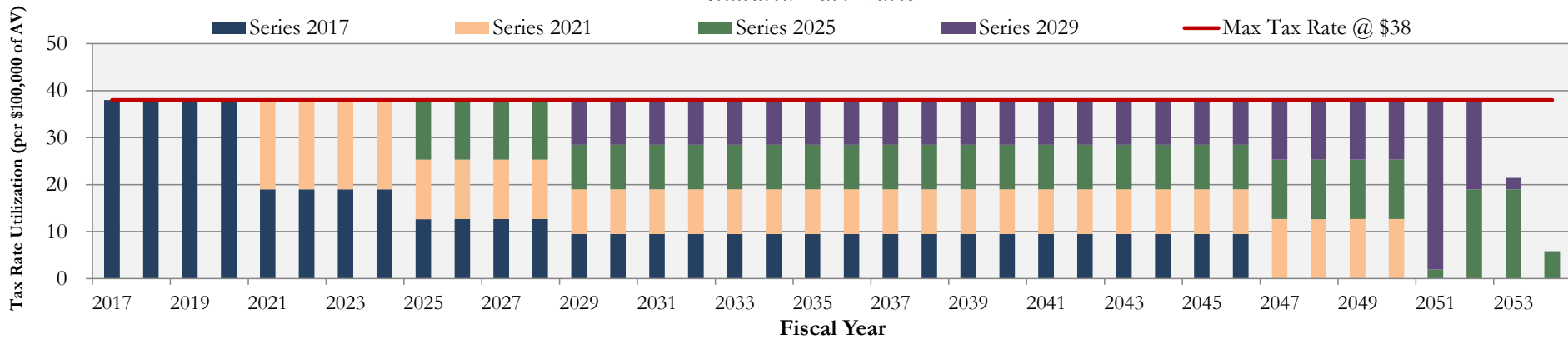
⁽²⁾Assumes MMD 10-year average 'AA' scale per maturity.

\$38 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service (Scenario 3)

- 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 \$332 million in total within 12 years
 - *Only Current Interest Bonds and 3.00% 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	95,610,000	78,770,000	78,535,000	79,475,000	332,390,000
Project Amount	94,690,730	77,968,610	77,735,255	78,668,675	329,063,270
Final Maturity Date	8/1/2046	8/1/2050	8/1/2054	8/1/2053	-
Repayment Ratio	1.62	1.87	2.00	1.86	1.83
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 3.00% growth in AV for FY 16-17 and every year thereafter.

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

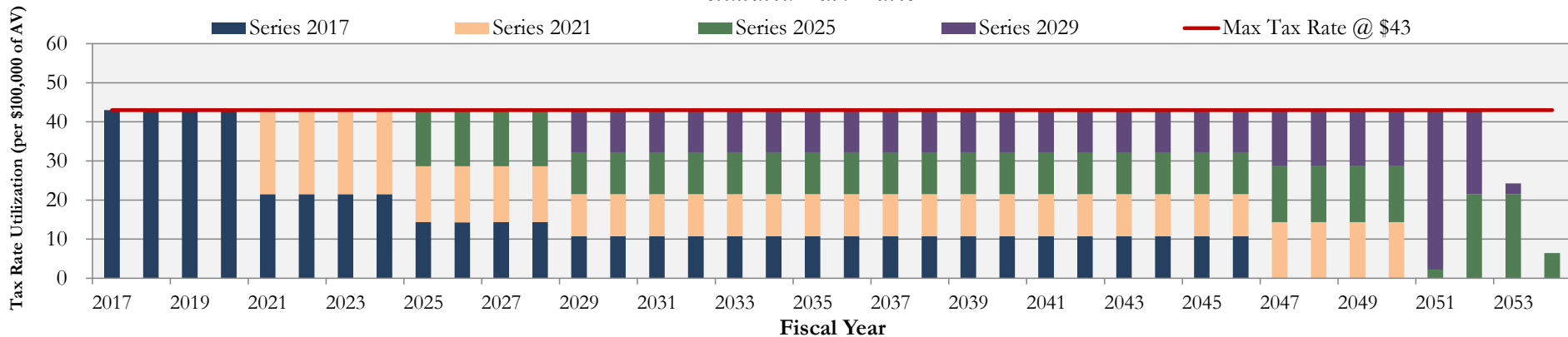
\$43 Tax Rate and 30-Year Maximum Current Interest Bonds

Election of 2016 Potential Tax Rates and Debt Service (Scenario 4)

- 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 \$376 million in total within 12 years
 - *Only Current Interest Bonds and 3.00% 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	108,200,000	89,130,000	88,840,000	89,930,000	376,100,000
Project Amount	107,192,600	88,256,090	87,968,120	89,050,490	372,467,300
Final Maturity Date	8/1/2046	8/1/2050	8/1/2054	8/1/2053	-
Repayment Ratio	1.62	1.87	2.00	1.86	1.83
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 3.00% growth in AV for FY 16-17 and every year thereafter.

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

Source Data

I. 2015/16 Assessed Value for all parcels in Irvine Unified School District: \$ 44,913,866,310

II. AV Summary by CFD

	Parcels	AV with No Overlay	86-1 & CFD 04-1	86-1 & CFD 04-2A	86-1 & CFD 04-2B	86-1 & CFD 06-1	86-1 & CFD 08-1	86-1 & CFD 09-1	Total CFD AV
CFD 86-1	18,522	9,756,461,383	385,642,762	1,139,718,676	958,212,166	518,677,914	131,967,221	3,669,097,129	16,559,777,251
CFD 01-1	3,836	4,797,004,819							4,797,004,819
CFD 04-1 *	400		385,642,762						385,642,762
CFD 04-2A *	1,481	6,300,229		1,139,718,676					1,146,018,905
CFD 04-2B *	987				958,212,166				958,212,166
CFD 06-1 *	606					518,677,914			518,677,914
CFD 08-1 *	2						131,967,221		131,967,221
CFD 09-1 *	6,906	1,033,879,244						3,669,097,129	4,702,976,373

* All or some of the parcels in this CFD are also within the boundary of CFD 86-1.

III. AV of Proposed SFID Boundary

	Parcels *	AV with CFD 86-1 only	AV with No CFD Overlay	Total Proposed SFID AV	IUSD AV Excluded from Proposed SFID
Proposed SFID	42,899	6,191,272,632	17,538,454,868	23,729,727,500	21,184,138,810

* The parcels with the Proposed SFID boundary were provided by Scott Associates.

NOTE

The 2015/16 Assessed Value shown on this page represents Land Value + Improvement Value - Exemptions + Homeowners Exemption. Unsecured and Personal Property Values are not included.