



Corona-Norco Unified School District

Facilities Funding & Measure GG Update
May 21, 2019

Presentation Agenda

- ❖ Refinancing of the Districts 2010 Certificates of Participation (COP).
- ❖ Credit rating Update
- ❖ GG issuance “A” and “B” update.
- ❖ Measure GG Series “C” issuance.

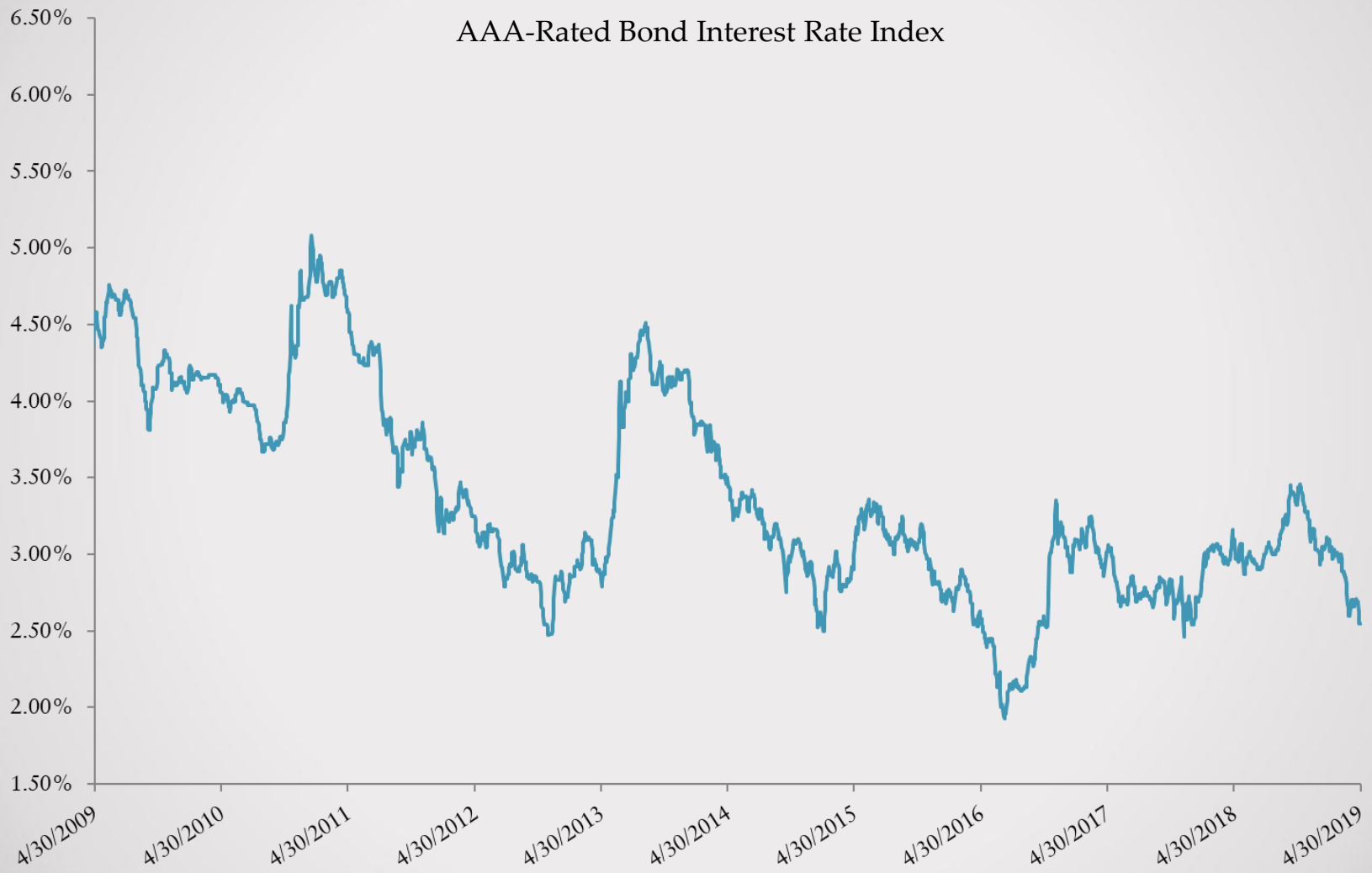


Refinancing of Certificates of Participation

Overview of Original 2010 CNUSD Certificates of Participation

- Financed Conversion of Chavez Elementary into a K-8 Cesar Chavez Academy
- Refinanced and Paid-Off in Full 2001 Certificates of Participation that Refinanced 1994 Certificates of Participation
 - Approximately \$140,000 Per Year in Annual Savings
 - Lowered Average Interest Rate from 5.08% to 3.96%
 - No Extension of Term
- Issued October 27, 2010
- District Semi-Annual Interest Payments to Investors are Due October 15th and April 15th of Each School Year with Principal Due April 15th
- Source of Repayment is All Legally Available Funds of CNUSD
- Certificates of Participation Obtained “A1” and “A+” Credit Ratings from Moody’s and Standard & Poor’s, Respectively
- Encumbered Asset is Santiago High School

Interest Rates Continue to Remain at Historically Low Levels



Overview of New 2020 CNUSD Certificates of Participation Refinancing

- Certificates of Participation to be Refinanced: 2010 Certificates of Participation
- Average Interest Rate: 4.66% on Old Certificates vs. Estimated 3.20% on New Certificates
- Does NOT Increase Length of Old Certificates (No Extension of Final Term)
- Amount of Existing Certificates Eligible to be Refinanced: \$21,835,000
- Estimated Savings to the District (Net of Costs): \$2,572,852 (9.6% NPV)
- Encumbered Asset is Santiago High School

Certificates of Participation Repayment Schedule Comparison

	Old 2010 COPs			New 2020 COPs			
Fiscal Year	Old Payments	Old Reserve Credit	Net COP Payments	New Payments	New Reserve Credit	Net COP Payments	Savings
2019-20	\$1,880,722		\$1,880,722	\$1,618,567		\$1,618,567	\$262,155
2020-21	\$2,382,694		\$2,382,694	\$2,141,120		\$2,141,120	\$241,574
2021-22	\$2,385,694		\$2,385,694	\$2,140,800		\$2,140,800	\$244,894
2022-23	\$2,384,944		\$2,384,944	\$2,138,880		\$2,138,880	\$246,064
2023-24	\$2,385,319		\$2,385,319	\$2,140,360		\$2,140,360	\$244,959
2024-25	\$2,384,319		\$2,384,319	\$2,140,000		\$2,140,000	\$244,319
2025-26	\$2,385,719		\$2,385,719	\$2,142,880		\$2,142,880	\$242,839
2026-27	\$2,385,119		\$2,385,119	\$2,138,920		\$2,138,920	\$246,199
2027-28	\$2,385,469		\$2,385,469	\$2,143,040		\$2,143,040	\$242,429
2028-29	\$2,386,519		\$2,386,519	\$2,140,160		\$2,140,160	\$246,359
2029-30	\$2,383,019		\$2,383,019	\$2,140,280		\$2,140,280	\$242,739
2030-31	\$2,384,994	-\$1,888,195	\$496,799	\$496,680		\$496,680	\$119
2031-32	\$496,969	-\$498,750	-\$1,781	\$0		\$0	-\$1,781
	\$28,611,497	-\$2,386,945	\$26,224,552	\$23,521,687	\$0	\$23,521,687	\$2,702,865

Old Interest Rate	4.66%
Estimated New Interest Rate	3.20%
Old COP Prepayment Date	4/15/2020
Savings	\$2,702,865

Steps in the Refinancing Process

Date	Action
April 16, 2019 (Completed)	Board Meeting to Approve Term Sheet
April 17, 2019 (Completed)	Execute Term Sheet (Interest Rate Locked for January 30, 2020 Closing Date)
April 19, 2019 (Completed)	30-Day Riverside County Office of Education and Riverside County Auditor-Controller Notice Sent
May 21, 2019	Board Meeting to Approve Lease Financing Documents and Forward Commitment Agreement
Week Of May 27, 2019	Execute Forward Commitment Agreement
Week Of January 13, 2020	Execute Lease Financing Documents and Pre-Closing
January 30, 2020	Closing



Credit Rating Update

Corona-Norco Unified School District Public Financing Authority Upgraded Credit Rating from Standard & Poor's

The Credit Rating Process

1. Standard & Poor's Reviewed the District's Public Financing Authority Mello-Roos Community Facilities Districts on November 16, 2018.
2. Standard & Poor's Upgraded the Credit Rating of the District's Public Financing Authority Mello-Roos Community Facilities Districts by Three Notches from "A-" to "AA-".

Highlights from the Standard & Poor's Report

- ✓ Very Strong Financial Profile with the Ability to Withstand Significant Permanent Special Tax Delinquencies.
- ✓ Diverse Taxpayer Base and a Full Development Status of the Mello-Roos Community Facilities Districts.
- ✓ Very Strong Resident Incomes.



Issuance “A” and “B” Update

Measure GG

- ❖ In 2014 the voters in the cities of Corona, Norco and Eastvale approved Measure “GG”, a \$396 million dollar GO Bond, to be used for projects to improve the safety and learning environments of schools within the District.
- ❖ **Measure GG:** *“Shall Corona Norco Unified School District, serving areas of Corona, Norco and Eastvale, upgrade classrooms, science labs, computers, career training technology to support high-quality instruction in math, science, engineering, technology/skilled trades, repair/replace leaky roofs, floors, plumbing/hazardous materials where needed, address overcrowding, improve student safety/security, repair, construct, acquire, equip classrooms, facilities/sites, by issuing \$396 million in bonds, at legal rates, with citizen oversight, no administrator salaries, and all funds dedicated to improving local neighborhood schools?”*

Projects Funded by Issuance “A”

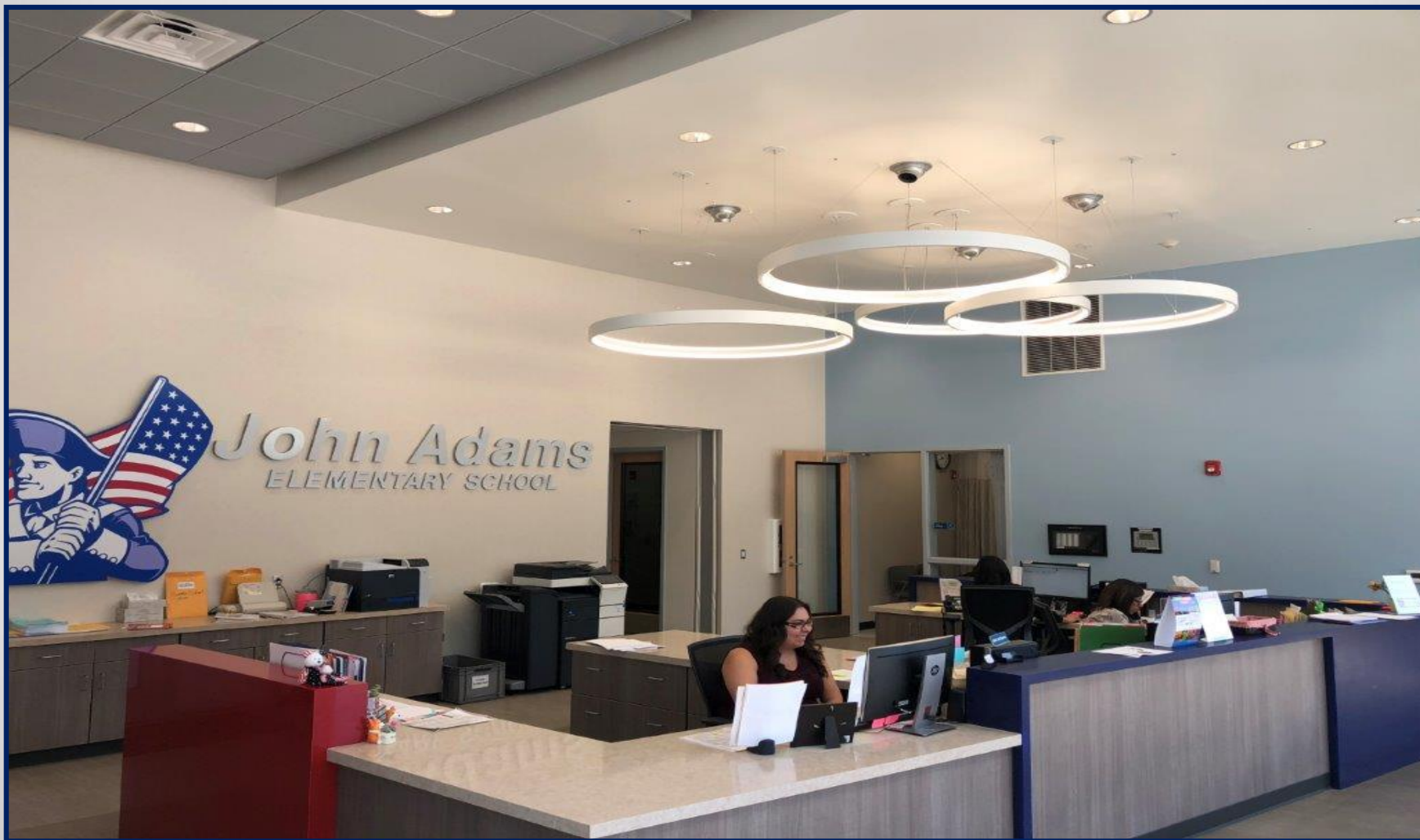
\$99,995,000

- ❖ Projects funded as part of issuance “A” of Measure GG.
 - ❖ **Technology**: Provide the needed infrastructure to support the classrooms of tomorrow.
 - ❖ **Corona**: Security fencing and modernization projects at Adams, Garretson, and Lincoln, as well as a track and playground for Chavez Academy.
 - ❖ **Eastvale**: Projects at Eleanor Roosevelt High School and the beginning phases of the eSTEM Academy.
 - ❖ **Norco**: Security fencing at various schools and modernization project at Norco Elementary
 - ❖ **Interest earned**: Was added to the issuance for these projects.

John Adams



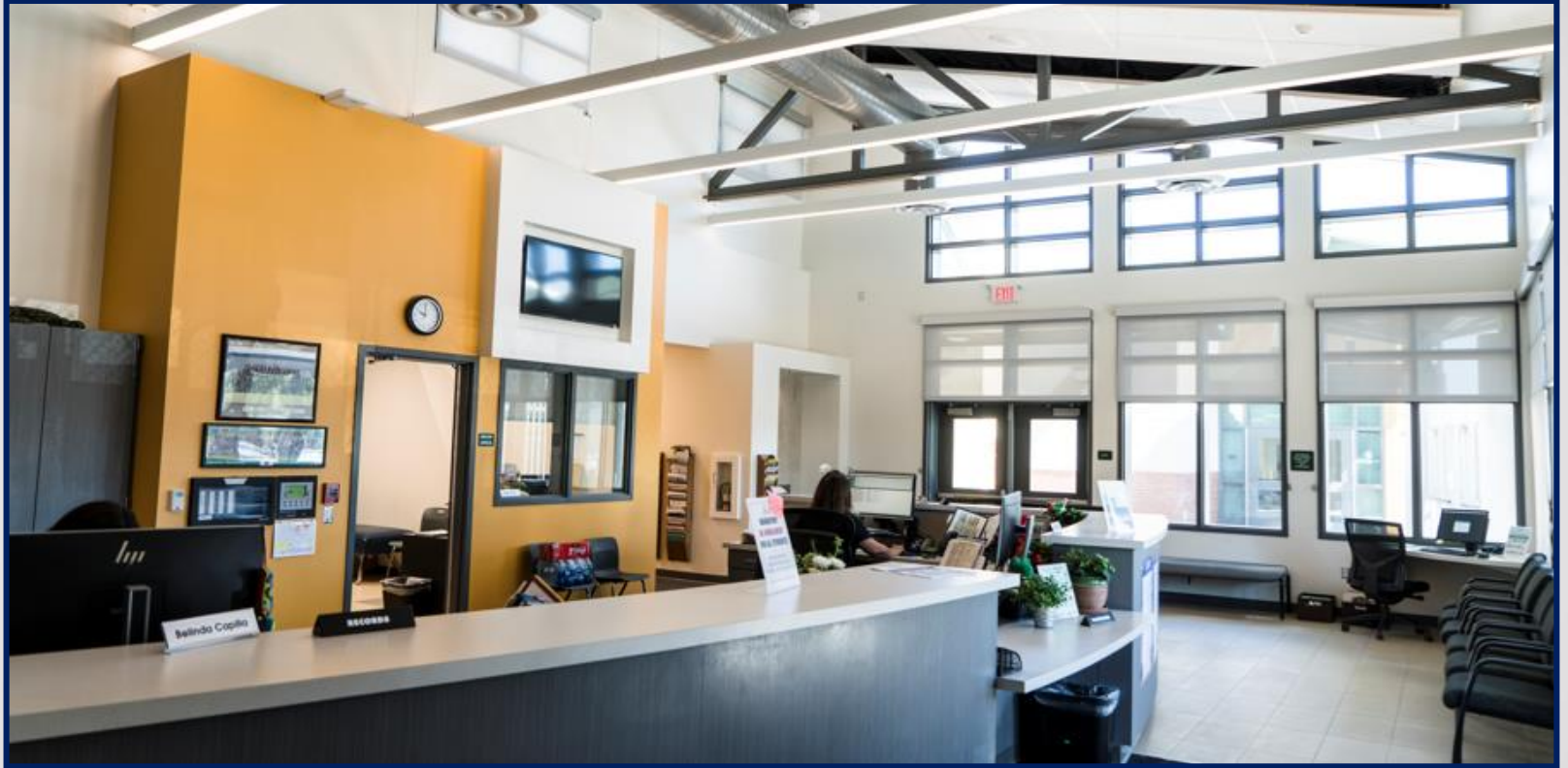
John Adams



Garretson Elementary



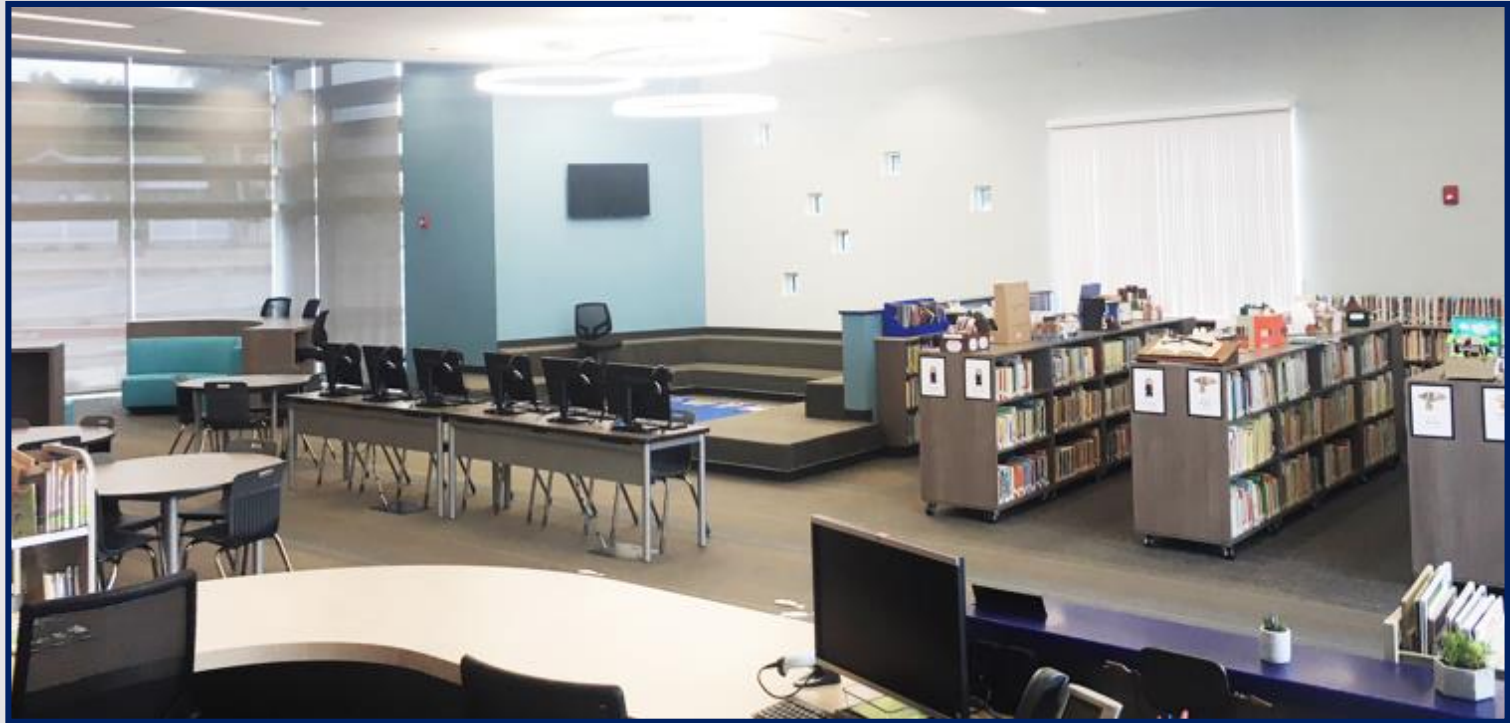
Garretson Elementary



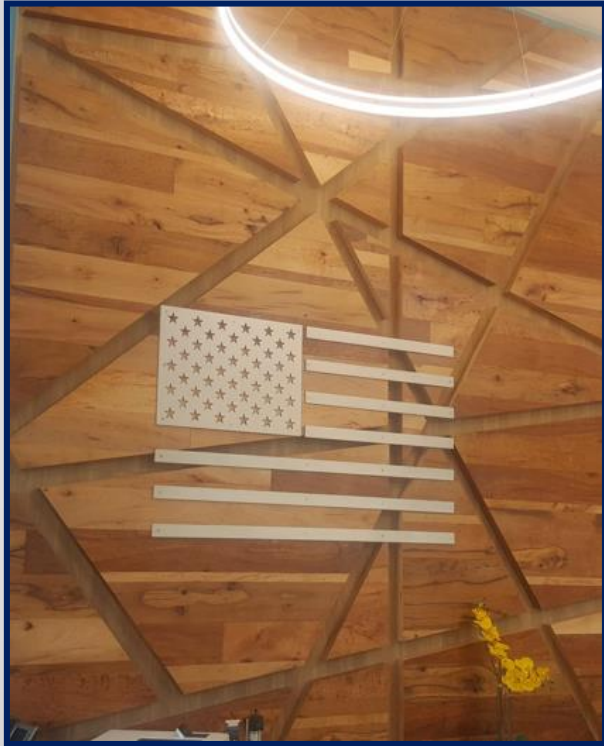
Lincoln Fundamental



Lincoln Fundamental



Lincoln Fundamental



Norco Elementary



Norco Elementary



Norco Elementary



Chavez Academy



Chavez Academy



Measure GG Security Fencing Projects

- Anthony Elementary
- Franklin Elementary
- Highland Elementary
- Jefferson Elementary
- Riverview Elementary
- Sierra Vista Elementary
- Stallings Elementary
- Victress Bower School
- Washington Elementary
- Auburndale IS
- Corona Fundamental IS
- Raney IS
- Norco HS
- Orange Grove HS



Projects Funded by Issuance “B”

\$119,440,000

- ❖ Review of projects to be funded as part of issuance “B” of Measure GG.
 - ❖ **Technology**: Provide the needed infrastructure to support the classrooms of tomorrow.
 - ❖ **Corona**: Completion of modernization projects at Jefferson, Adams, Garretson, and Lincoln Fundamental.
 - ❖ **Eastvale**: Completion of the eSTEM Academy at Eleanor Roosevelt High School and the construction of Rondo Elementary School.
 - ❖ **Norco**: Completions of the Norco Elementary modernization project and the start of the Norco Intermediate School modernization project.

eSTEM Academy



eSTEM Academy



eSTEM Academy



Rondo Elementary



Rondo Elementary



Rondo Elementary



Rondo Elementary



Jefferson Elementary-Parking Lot View



Jefferson Elementary- New Administration Building



Jefferson Elementary- MPR Building



Jefferson Elementary-Kindergarten Entrance



Norco Intermediate



Norco Intermediate





Measure GG Series “C” Issuance

Revised Measure GG General Obligation Bond Plan

Issue \$86 Million of General Obligation Bonds in 2019

(Issue Remaining Authorization in 2023)

Corona-Norco Unified School District Potential Issuance Schedule for 2014 General Obligation Bond Program			
	For Capital Facilities	For Technology	2014 Election Total
Total Bond Authorization	\$351,000,000	\$45,000,000	\$396,000,000
Issuance Summary			
1st Bond Issuance (2015 - Completed)	\$84,995,000	\$15,000,000	\$99,995,000
2nd Bond Issuance (2018 - Completed)	\$104,440,000	\$15,000,000	\$119,440,000
3rd Bond Issuance (October 2019)	\$78,500,000	\$7,500,000	\$86,000,000
4th Bond Issuance (August 2023)	\$83,065,000	\$7,500,000	\$90,565,000
Total Bond Issuances	\$351,000,000	\$45,000,000	\$396,000,000
Total Bond Repayment	\$691,313,723	\$71,595,375	\$762,909,098
Payback Ratio	1.97	1.59	1.93
Maximum Term of Each Individual Bond Issue	30 Years	10 Years	30 Years
Average Projected Tax Rate (Per \$100,000 Assessed Value)			
From FY 2015-16 to FY 2032-33	\$34.48	\$5.02	\$39.50
FY 2033-34 and After	\$39.50	\$0.00	\$39.50
Assumed Assessed Valuation Growth			
Fiscal Year 2018-19	6.20% (Actual)	6.20% (Actual)	6.20% (Actual)
Fiscal Year 2019-20	5.00% (Projected)	5.00% (Projected)	5.00% (Projected)
Fiscal Year 2020-21	5.00% (Projected)	5.00% (Projected)	5.00% (Projected)
Fiscal Year 2021-22 and After	4.00% (Projected)	4.00% (Projected)	4.00% (Projected)

- \$86 Million Bond Issuance in October 2019.
 - \$78.5 Million for Capital Facilities.
 - \$7.5 Million for Technology.

- \$39.50 Per \$100,000 of AV Targeted Tax Rate.

- 4.00% Assumed Long-Term AV Growth Rate.

Comparative Purchasing Power in November 2014 Dollars
Original Measure GG Bond Plan Vs. Revised Measure GG Bond Plan
(8% Assumed Annual Cost Inflation Rate)

Original Measure GG Bond Plan (Estimated \$24.00 / \$100,000 Tax Rate)

Issuance Date	For Capital Facilities	For Technology	Total	Total (2014 Dollars)
8/1/2015	\$85,000,000	\$15,000,000	\$100,000,000	\$94,348,257
8/1/2019	\$52,500,000	\$15,000,000	\$67,500,000	\$46,534,059
8/1/2023	\$52,500,000	\$15,000,000	\$67,500,000	\$34,001,981
8/1/2027	\$48,306,151	\$15,000,000	\$63,306,151	\$23,301,273
Post 2027	\$97,693,849		\$97,693,849	\$4,325,145
Total	\$336,000,000	\$60,000,000	\$396,000,000	\$202,510,715

Proposed Revised Measure GG Bond Plan (Estimated \$39.50 / \$100,000 Tax Rate)

Issuance Date	For Capital Facilities	For Technology	Total	Total (2014 Dollars)
7/8/2015	\$84,995,000	\$15,000,000	\$99,995,000	\$94,817,532
4/26/2018	\$104,440,000	\$15,000,000	\$119,440,000	\$90,922,937
10/1/2019	\$78,500,000	\$7,500,000	\$86,000,000	\$58,517,779
8/1/2023	\$83,065,000	\$7,500,000	\$90,565,000	\$45,620,584
Total	\$351,000,000	\$45,000,000	\$396,000,000	\$289,878,833

Fiscal Year 2018-19 Bond Tax Rates for Unified School Districts in Riverside County



Recommendation For Series “C” Issuance of Measure GG.

- ❖ The District is requesting to do the third issuance (issuance “C”) of \$86,000,000 of General Obligation Bonds in the fall of 2019.
- ❖ Will allow the District to continue with projects that were proposed as part of the Measure GG master plan.
- ❖ Will provide the District with the opportunity to continue to maximize the purchasing power of the Bond money (stretch the dollar) .

Projected Projects To Be Funded by Issuance “C”

- ❖ **Corona**: Modernization projects at Corona Fundamental (new MPR/Gym), Washington Elementary (Admin Upgrade, New Kinder, New MPR, Convert old MPR to a Media Center) and completion of Jefferson Elementary.
- ❖ **Norco**: Completion of Norco Intermediate along with a the modernization project at Sierra Vista Elementary School (New Admin, New Parking Lot, Convert old admin to Computer Lab, Convert Old Library to Science Lab).
- ❖ **Roof Repairs**: Roof repairs as needed throughout the District.
- ❖ **Technology**: Continue to provide the needed infrastructure to support the classrooms of tomorrow.

Benefits of Moving Forward with Issuance “C”

- ❖ Keeps the promise the District made to the community.
- ❖ Potential increase to property values throughout the District.
- ❖ Completion of projects will improve educational opportunities for students.
- ❖ Most cost effective financing option available.
- ❖ Gives the District more buying power by helping to reduce the impact of construction cost escalation (11-12% per year).
- ❖ Saves taxpayers money by lowering the amount of interest paid on Bonds.

SPECIAL THANK YOU TO:
Measure GG Oversight Committee
Parents
Community Members

