



Southwestern Community College District

Proposition R

May 13, 2015



1300 Clay Street, Suite 1000, Oakland, CA 94612
phone 510-839-8200 fax 510-208-8282

A Division of Zions Public Finance, Inc.

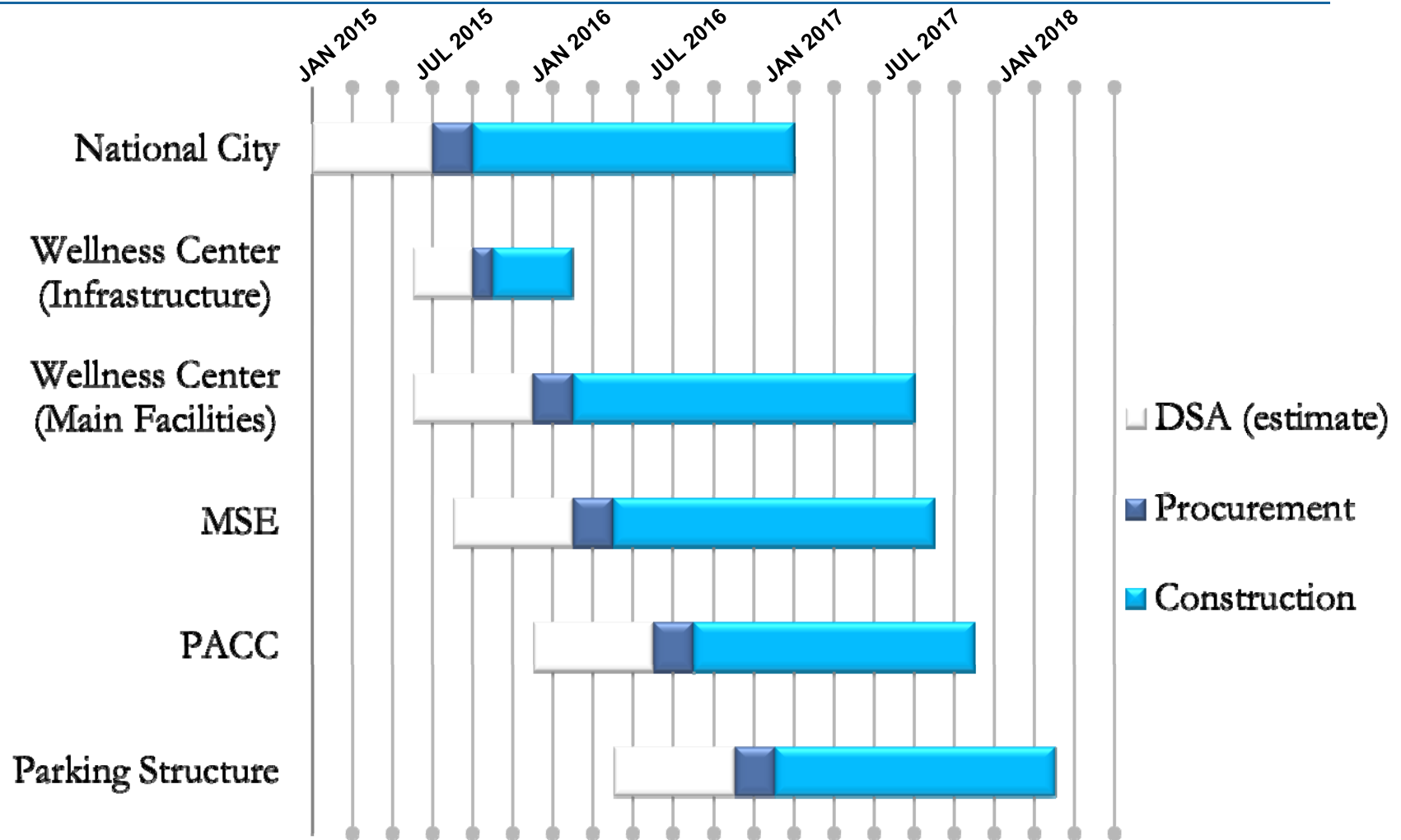
Summary of Proposition R Bonds

- The voters in the District approved Proposition R in November 2008
 - Approved \$389 million in general obligation bonds
 - \$168.7 million has been issued to date, leaving \$220.2 million authorized, but unissued
 - District had estimated a tax rate of \$19.60 at the bond election
 - \$25.00 is the maximum tax rate for the entire issue of bonds

2008 Proposition R Bond Summary

| Issuance Date | Par Amount at Issuance | CABs Issued | Series | Call Date | Maturity | Outstanding |
|-------------------|-------------------------|-----------------|---|-------------------------------|----------|-----------------|
| 11/5/2009 | \$10,225,000.00 | | Series A (Tax Exempt) | 8/1/19 @ Par | 8/1/2021 | \$7,795,000.00 |
| 11/5/2009 | \$89,775,000.00 | | Series B (Build America Bonds, Federally Taxable) | Extraordinary Make-whole Call | 8/1/2039 | \$89,775,000.00 |
| 6/16/2011 | \$68,730,371.35 | \$10,375,371.35 | Series C (Tax Exempt) | 8/1/21 @ Par (CIBs only) | 8/1/2046 | \$66,370,371.35 |
| Total | \$168,730,371.35 | | | | | |
| Authorized | \$389,000,000.00 | | | | | |
| Remaining | \$220,269,628.65 | | | | | |

Proposition R Projects Schedule



Proposition R Projects

Current Engineering Estimates

| <i>Completed Projects</i> | |
|---|----------------------------|
| Misc. Projects & Services | \$ 23,950,000 ¹ |
| DeVore Stadium | 50,000,000 |
| Solar Project | 13,250,000 |
| <i>Planned Projects (Engineering Estimates)</i> | |
| National City | 20,000,000 |
| Wellness Center | 51,900,000 ² |
| Ongoing Projects/Services | 10,200,000 ³ |
| Otay Mesa | 1,200,000 |
| Parking Structure/Security Bldg. | 14,000,000 |
| Existing Pool & Gym Demolition | 3,000,000 |
| Math, Science & Engineering Building | 75,000,000 |
| Performing Arts | 29,100,000 ⁴ |
| Contingency | 12,130,000 ⁵ |
| | \$ 303,730,000 |

¹ Access road, parking Lots, corner lot planning, management

² This budget includes required infrastructure and site improvements for the Corner Lot development.

³ This includes infrastructure planning, engineering, construction, inspection and management.

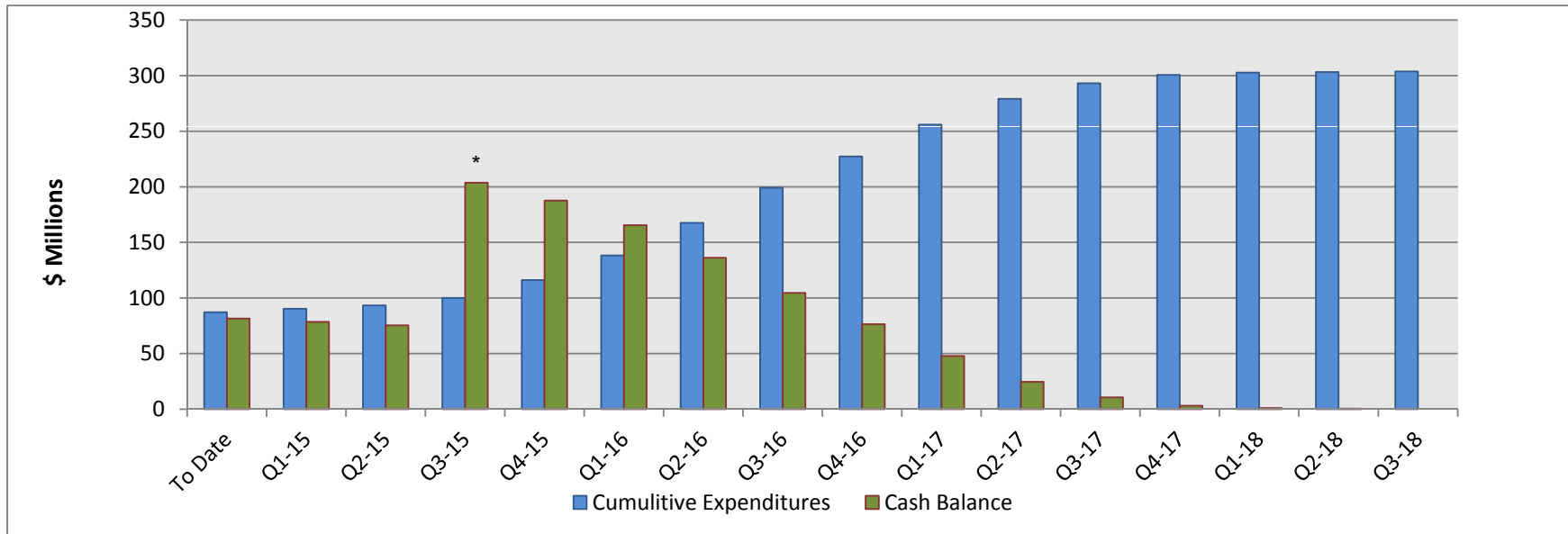
⁴ This project is in the planning and programming phase; the engineering estimate is not fully developed and could change.

⁵ The Contingency is 5.6% of the total value of engineering estimates for the planned projects. This is below the preferred amount of 7 to 10% for large building programs.

Funding and Expenditures

Series D Spending Requirements

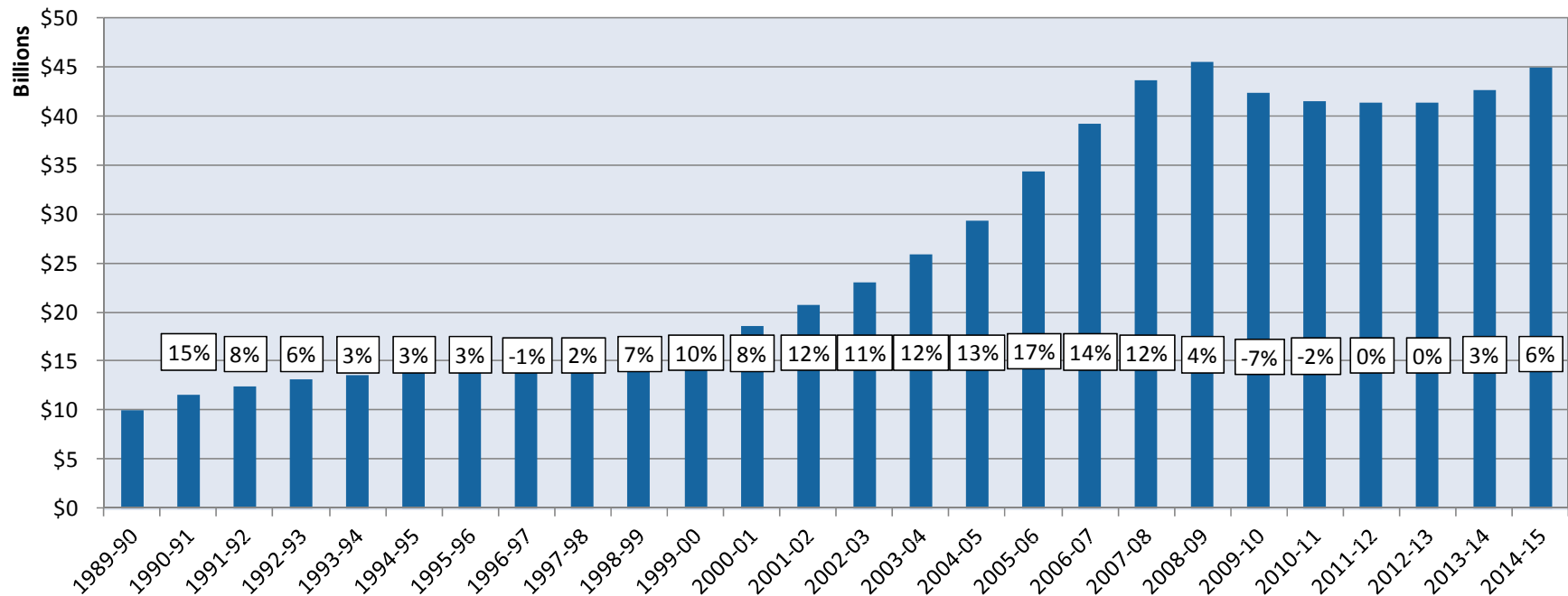
| <i>Series D Bond Sale Estimate</i> | <i>Q3-15</i> | <i>\$ 135,000,000</i> | <i>Required</i> | <i>Projected Actual</i> |
|------------------------------------|--------------|-----------------------|-----------------|-------------------------|
| Year Three Expenditures | Q3-18 | 85% | \$ 114,750,000 | \$ 135,000,000 |



*Anticipated receipt of Series D funds

Assessed Valuation Growth

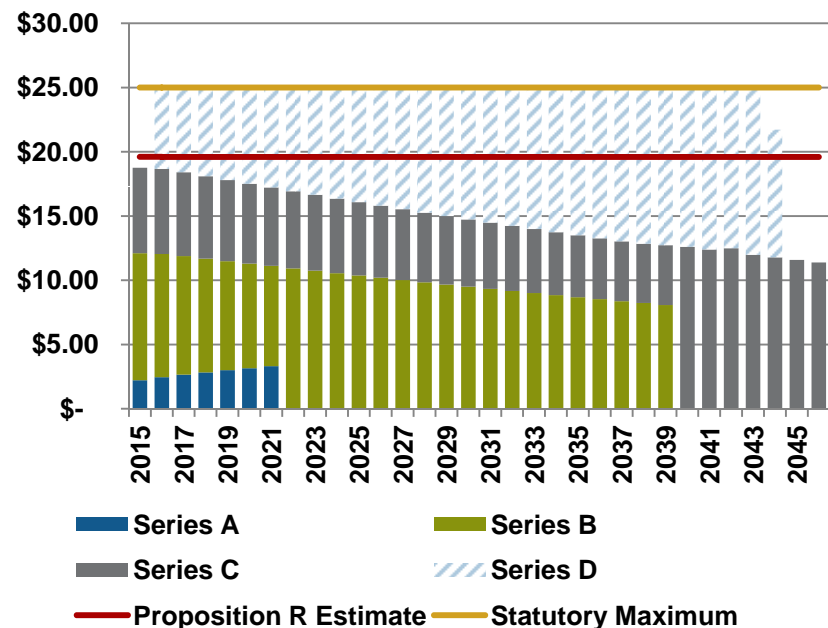
- 2014-15 assessed valuation grew by 5.61% to \$44,975,637,003
- The District's tax base has the following annualized growth rates:
 - 5-year: 1.18%
 - 10-year: 4.36%
 - 15-year: 6.65%
 - 20-year: 6.05%



Source: California Municipal Statistics, Inc.

Proposition R, Series D Bond Financing

- Current estimated proceeds of \$120 million*
 - Annual AV growth rate:
 - 2015-16: 3.0%
 - 2016-17: 4.0%
 - Thereafter: 4.25%
 - 2.0% Secured AV delinquency rate
 - 30 year final maturity for current interest bonds (CIBs)
 - AB 182 compliant CABs
 - 25 Year final maturity for CABs
- State Law requires that the ratio of total debt service to principal not exceed 4:1
 - In the current market, we estimate that the repayment ratio for the entire series of bonds issued as CIBs and CABs is 2.13:1*

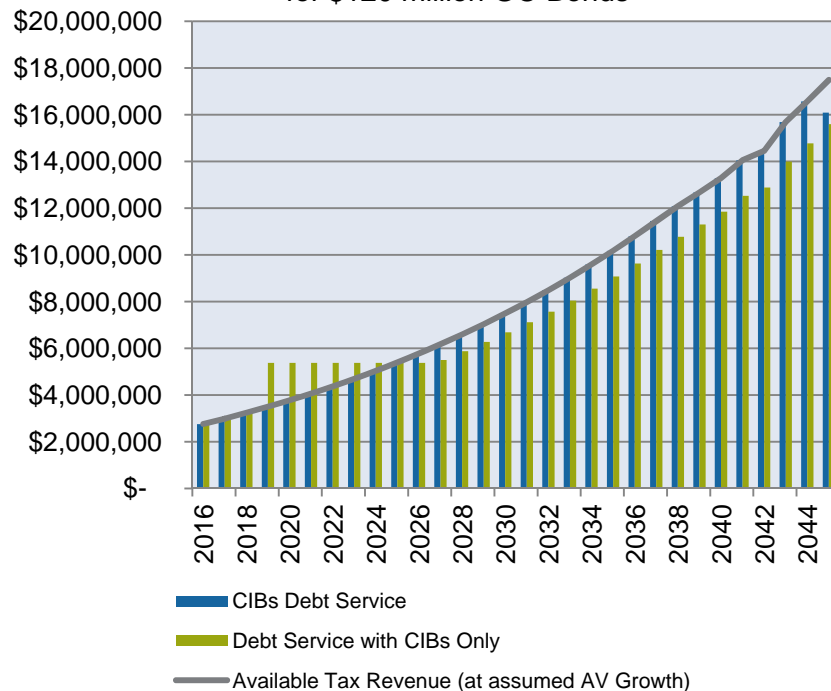


*Estimated, subject to change.

Debt Service Comparison

- The chart shows the estimated debt service for \$120 million of bonds assuming both CABs and CIBs.
- Total estimated debt service difference is \$14,975,413*
- See detailed analysis (Exhibit B)

Illustrative Debt Service Comparison
for \$120 million GO Bonds



*Estimated, subject to change.

| Period Ending | CIBs/CABs Structure | | | Debt Service with CIBs Only | Difference |
|---------------------------|-----------------------|----------------------|-----------------------|-----------------------------|----------------------|
| | CIBs Debt Service | CABs Debt Service | Total | | |
| 8/1/2016 | \$ 2,755,000 | \$ - | \$ 2,755,000 | \$ 2,755,000 | \$ - |
| 8/1/2017 | \$ 2,985,000 | \$ - | \$ 2,985,000 | \$ 2,985,000 | \$ - |
| 8/1/2018 | \$ 3,241,212 | \$ - | \$ 3,241,212 | \$ 3,243,523 | \$ (2,312) |
| 8/1/2019 | \$ 3,500,625 | \$ - | \$ 3,500,625 | \$ 5,378,575 | \$ (1,877,950) |
| 8/1/2020 | \$ 3,500,625 | \$ 270,000 | \$ 3,770,625 | \$ 5,378,575 | \$ (1,607,950) |
| 8/1/2021 | \$ 3,500,625 | \$ 560,000 | \$ 4,060,625 | \$ 5,378,575 | \$ (1,317,950) |
| 8/1/2022 | \$ 3,500,625 | \$ 870,000 | \$ 4,370,625 | \$ 5,378,575 | \$ (1,007,950) |
| 8/1/2023 | \$ 3,500,625 | \$ 1,185,000 | \$ 4,685,625 | \$ 5,378,575 | \$ (692,950) |
| 8/1/2024 | \$ 3,500,625 | \$ 1,535,000 | \$ 5,035,625 | \$ 5,378,575 | \$ (342,950) |
| 8/1/2025 | \$ 3,500,625 | \$ 1,890,000 | \$ 5,390,625 | \$ 5,378,575 | \$ 12,050 |
| 8/1/2026 | \$ 3,500,625 | \$ 2,275,000 | \$ 5,775,625 | \$ 5,378,575 | \$ 397,050 |
| 8/1/2027 | \$ 3,500,625 | \$ 2,670,000 | \$ 6,170,625 | \$ 5,503,575 | \$ 667,050 |
| 8/1/2028 | \$ 3,500,625 | \$ 3,090,000 | \$ 6,590,625 | \$ 5,877,325 | \$ 713,300 |
| 8/1/2029 | \$ 3,500,625 | \$ 3,530,000 | \$ 7,030,625 | \$ 6,272,075 | \$ 758,550 |
| 8/1/2030 | \$ 3,500,625 | \$ 3,995,000 | \$ 7,495,625 | \$ 6,685,825 | \$ 809,800 |
| 8/1/2031 | \$ 3,500,625 | \$ 4,475,000 | \$ 7,975,625 | \$ 7,116,575 | \$ 859,050 |
| 8/1/2032 | \$ 3,500,625 | \$ 4,985,000 | \$ 8,485,625 | \$ 7,567,325 | \$ 918,300 |
| 8/1/2033 | \$ 3,500,625 | \$ 5,520,000 | \$ 9,020,625 | \$ 8,045,825 | \$ 974,800 |
| 8/1/2034 | \$ 3,500,625 | \$ 6,090,000 | \$ 9,590,625 | \$ 8,554,325 | \$ 1,036,300 |
| 8/1/2035 | \$ 3,500,625 | \$ 6,675,000 | \$ 10,175,625 | \$ 9,074,825 | \$ 1,100,800 |
| 8/1/2036 | \$ 3,500,625 | \$ 7,295,000 | \$ 10,795,625 | \$ 9,630,075 | \$ 1,165,550 |
| 8/1/2037 | \$ 3,500,625 | \$ 7,950,000 | \$ 11,450,625 | \$ 10,211,575 | \$ 1,239,050 |
| 8/1/2038 | \$ 3,500,625 | \$ 8,580,000 | \$ 12,080,625 | \$ 10,776,075 | \$ 1,304,550 |
| 8/1/2039 | \$ 3,500,625 | \$ 9,175,000 | \$ 12,675,625 | \$ 11,302,325 | \$ 1,373,300 |
| 8/1/2040 | \$ 13,285,625 | \$ - | \$ 13,285,625 | \$ 11,850,075 | \$ 1,435,550 |
| 8/1/2041 | \$ 14,048,150 | \$ - | \$ 14,048,150 | \$ 12,531,275 | \$ 1,516,875 |
| 8/1/2042 | \$ 14,447,000 | \$ - | \$ 14,447,000 | \$ 12,883,000 | \$ 1,564,000 |
| 8/1/2043 | \$ 15,688,500 | \$ - | \$ 15,688,500 | \$ 13,995,250 | \$ 1,693,250 |
| 8/1/2044 | \$ 16,568,750 | \$ - | \$ 16,568,750 | \$ 14,776,000 | \$ 1,792,750 |
| 8/1/2045 | \$ 16,091,250 | \$ - | \$ 16,091,250 | \$ 15,597,750 | \$ 493,500 |
| Total | \$ 172,623,612 | \$ 82,615,000 | \$ 255,238,612 | \$ 240,263,198 | \$ 14,975,413 |
| Principal | \$ 82,095,000 | \$ 37,986,368 | \$ 120,081,368 | \$ 120,085,000 | |
| Debt Service Ratio | 2.10 | 2.17 | 2.13 | 2.00 | |