

Proposition R



At Work!



SOUTHWESTERN COLLEGE

Southwestern Community College District

Proposition R Citizen's Bond Oversight Committee

Agenda: October 22, 2009

Time: 5:30 p.m.

Place: Southwestern College
900 Otay Lakes Road
Chula Vista, CA 91910
Room S202

Agenda:

1. Call to Order (Roll Call)
2. Approval of Minutes (June 18, 2009) (Enclosure)
3. Welcome and Introductions (Peter Mabrey)
4. Public Comment (Peter Mabrey)
5. Bond Rating Presentation (Nick Alioto, VP for Business and Financial Affairs) (Enclosure)
 - Bond Finance and Series A Issuance
6. Status of Proposition R (John Wilson, Senior Director of Business Operations and Facilities Planning)
 - Phasing Schedule (Enclosure)
 - RFP Program Management Services
 - Oversight Committee Website
7. Tentative Meeting Schedule (Peter Mabrey)
 - January 21, 2010
 - April 22, 2010
8. Committee Member Comments
9. Adjourn

Proposition R



At Work!



SOUTHWESTERN COLLEGE

Southwestern Community College District

Proposition R Citizen's Bond Oversight Committee

Minutes: June 18, 2009

1. Call to Order

5:35 Roll call was taken and all members were present.

Present: Dave Adams, Joe David Casillas, Rebecca Kelley, David Krogh, Kenia Lopez, Peter Mabrey, Michael Rahm, Dr. Raj K. Chopra, John Wilson
Guests: Gary Cabello, David Casnocha, Jim Roth

2. Welcome and Introductions

Dr. Chopra, Superintendent/President welcomed everyone and thanked committee members for serving on the committee. Committee members briefly introduced themselves.

3. Nomination of Committee Chairperson

Peter Mabrey was nominated by Dr. Chopra to serve as the chair of the committee.

4. Election of Committee Vice-Chairperson

Motion by David Krogh to nominate Dave Adams as Vice-Chairperson. The motion passed unanimously.

5. Term of Office for Committee Members

Committee members drew straws with Dave Adams and Mike Rahm drawing the short straws. They will serve for a term of one year. The remaining committee members will serve a two-year term. The student committee member serves a two-year term as long as they remain an active student, or six months after that date.

6. Public Comment

No persons appeared.

7. Citizen's Oversight Committee Bylaws & Responsibility

David Casnocha, Bond Counsel, Stradling Yocca Carlson & Rauth, presented a PowerPoint overview of the committee's bylaws, roles and responsibilities. The primary duties are to review the expenditure reports of bond proceeds; inform the public of how Prop R monies are

being spent; and submit an annual report to the Governing Board summarizing Prop R activities and the committee's conclusion of whether or not monies were used appropriately.

8. Status of Proposition R

John Wilson, Senior Director of Business, Operations & Facilities Planning, gave a brief District overview.

9. Bond Finance and Series A Issuance

Jim Roth with PiperJaffray and Gary Cabello with Alta Vista were in attendance. Mr. Roth spoke regarding bond issuance and answered questions.

10. Tentative Meeting Schedule

The next meeting will be held in October. Consensus was reached to include a standard line item at the end of each agenda for committee member comments.

11. Adjourn

The meeting adjourned at 7:29 pm.



Southwestern Community College District

Election of 2008 General Obligation Bonds, Series A



Rating Agency Presentation

September 28-29, 2009

Presentation Participants

❖ **Southwestern Community College District**

- Raj K. Chopra, Ph.D., Superintendent/President
- Nicholas C. Alioto, CPA, Vice President for Business and Financial Affairs
- John Wilson, Senior Director of Business Operations and Facilities Planning
- Yolanda Salcido, Governing Board Vice President

❖ **Piper Jaffray & Co.**

- Jim Roth, Managing Director

❖ **Alta Vista Financial, Inc.**

- Gary Cabello, Executive Vice President

❖ **Stradling Yocca Carlson & Rauth**

- David Casnocha, Esq.

Presentation Contents

- I. District Overview
- II. District Finances
- III. Tax Base and Economic Factors
- IV. Facilities Plan
- V. Plan of Finance

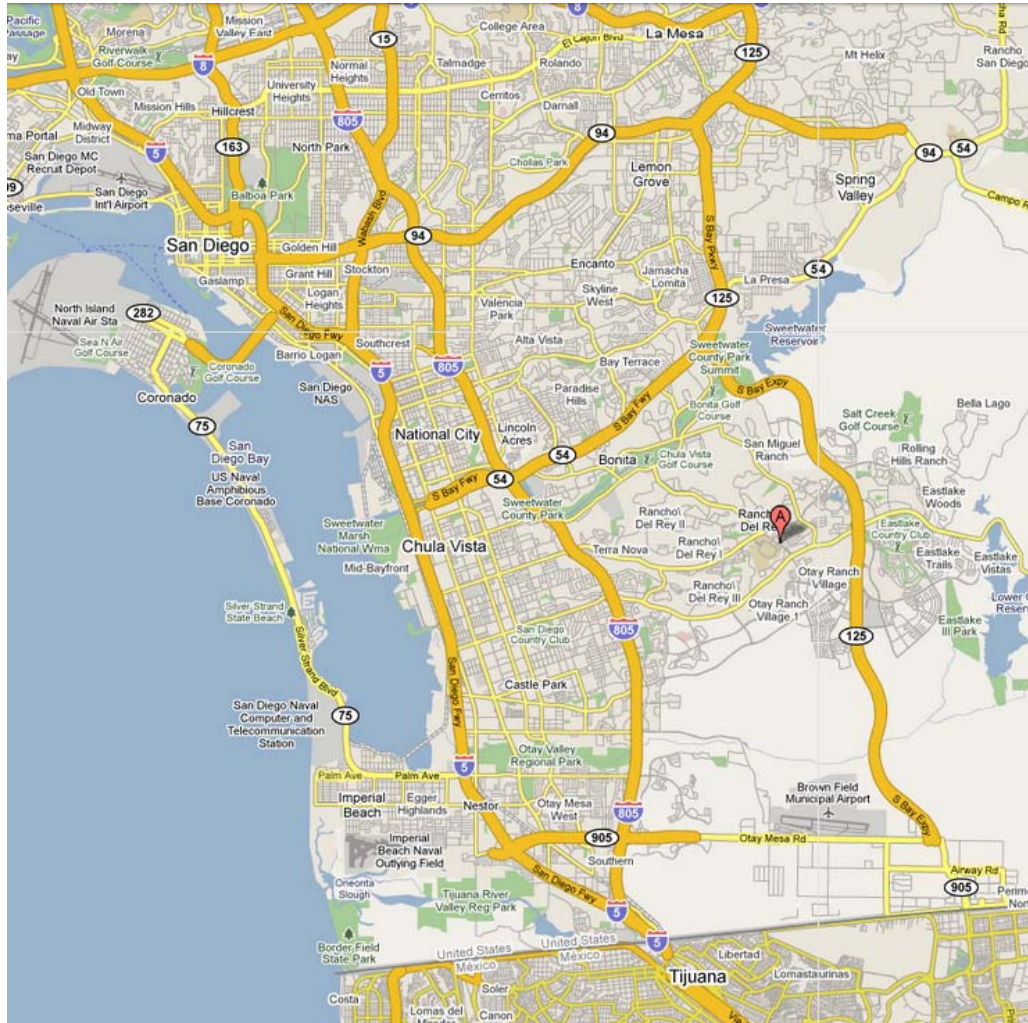


Chula Vista Campus

Section I – District Overview

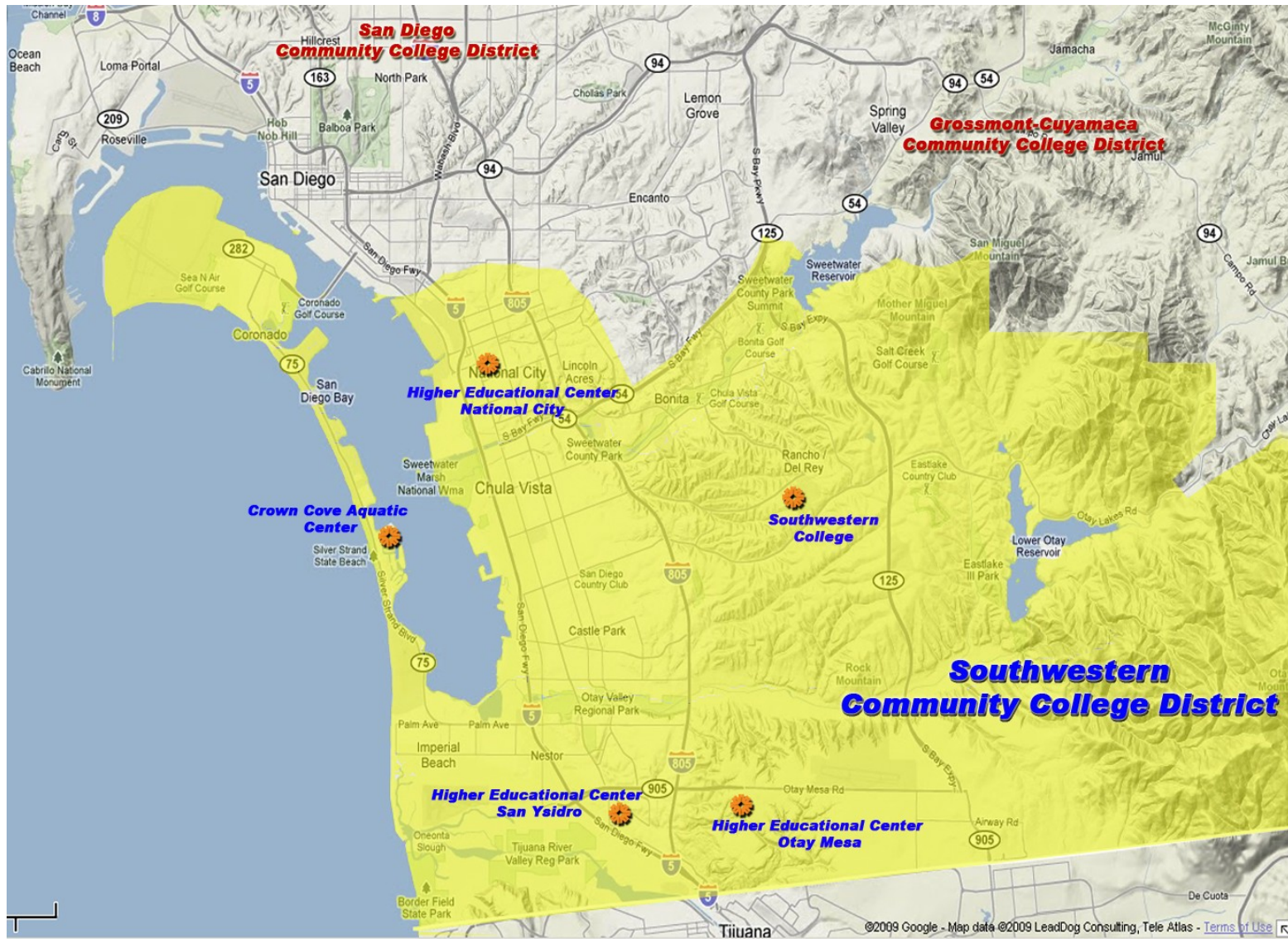


Regional Map



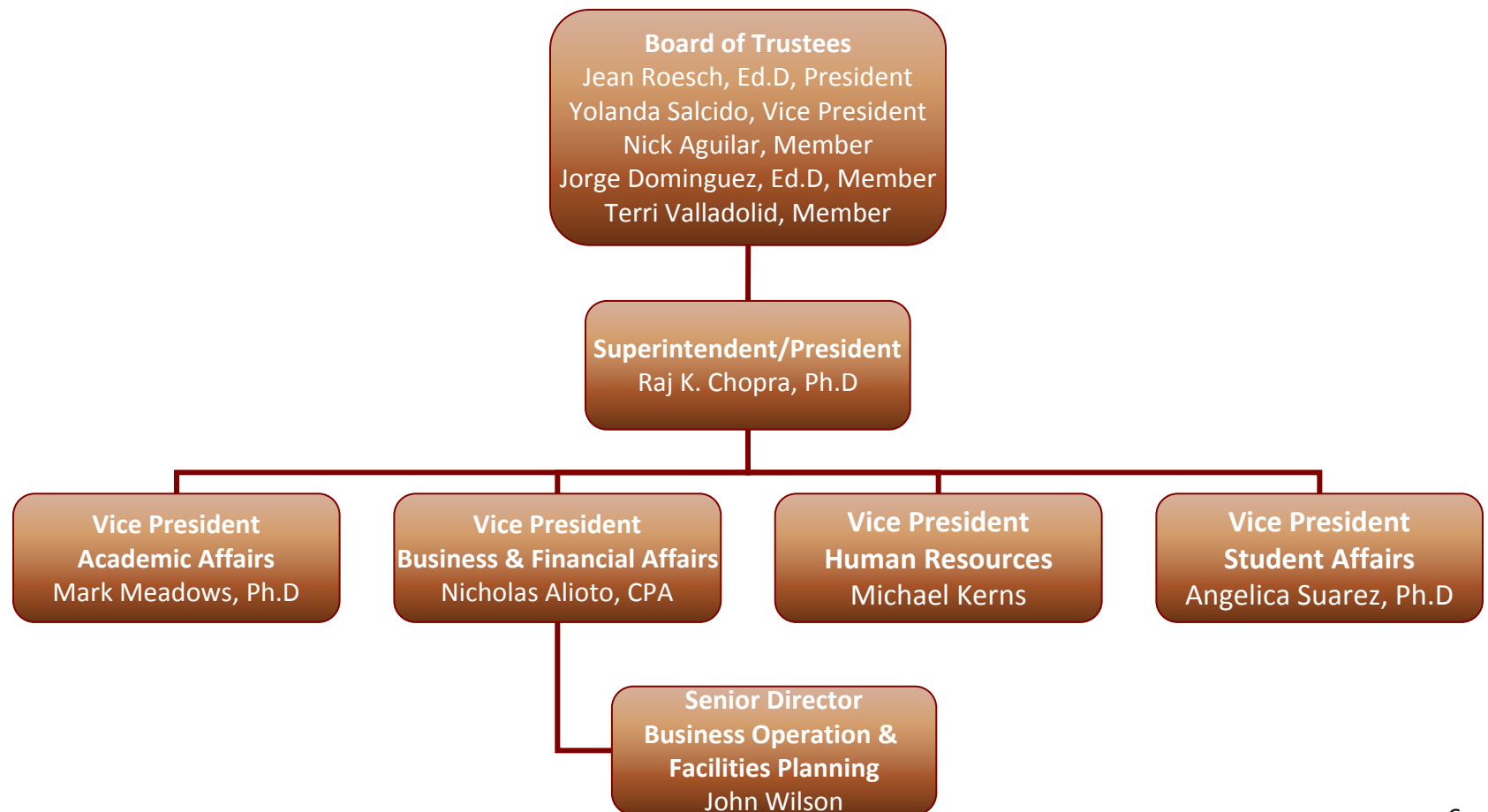
- ❖ The District is located between the City of San Diego and the US-Mexico international border
- ❖ Encompassing approximately 162 square miles, the District serves the South San Diego County region
- ❖ Draws the majority of students from the communities of Chula Vista, Otay Mesa, National City, and San Ysidro
- ❖ Serves a population of approximately 470,422

District Map

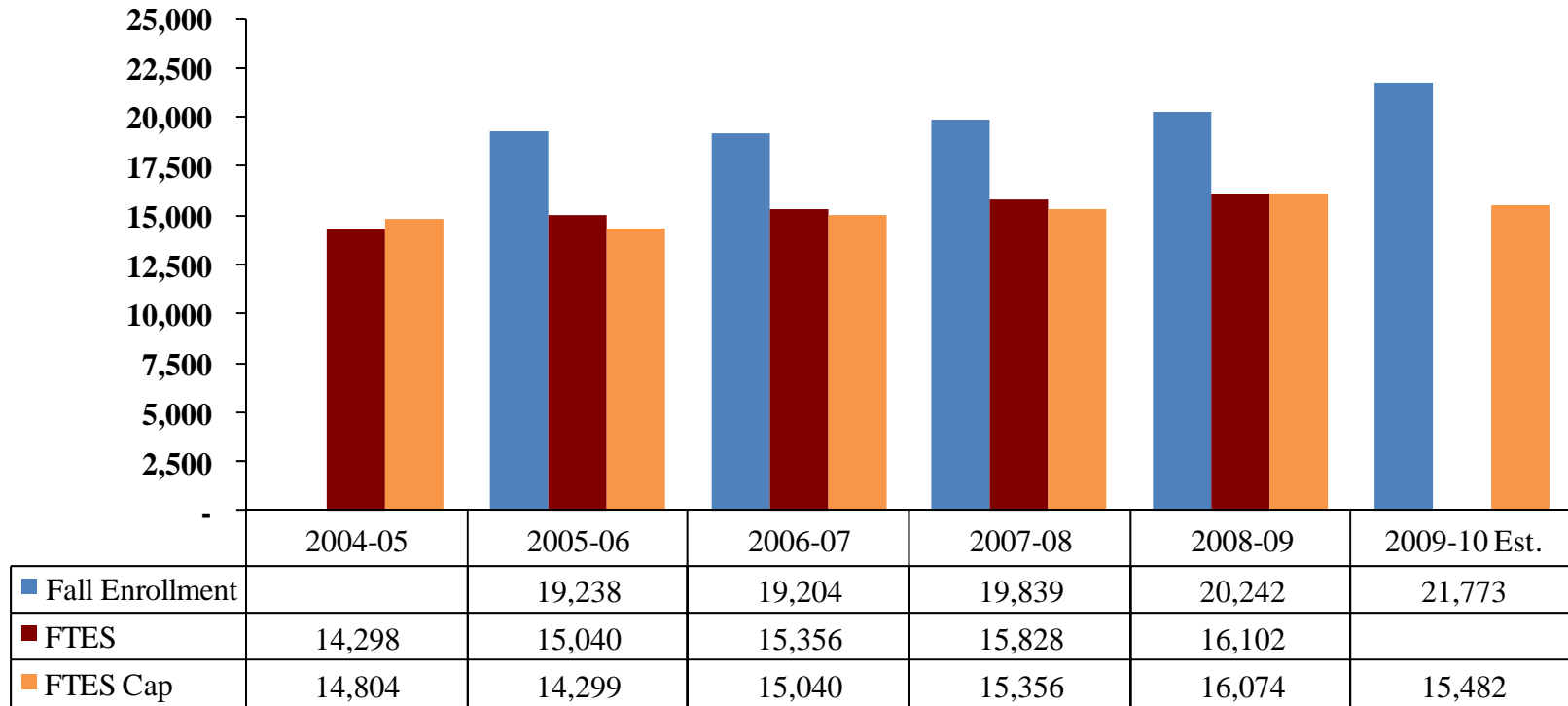


General District Information

- ❖ Established in 1960
- ❖ Bond Passage Rate: 71.41%
- ❖ 2009-10 Assessed Valuation: \$42,407,554,679
- ❖ Total Enrollment: 20,242
- ❖ Full-Time Equivalent Students: 16,102

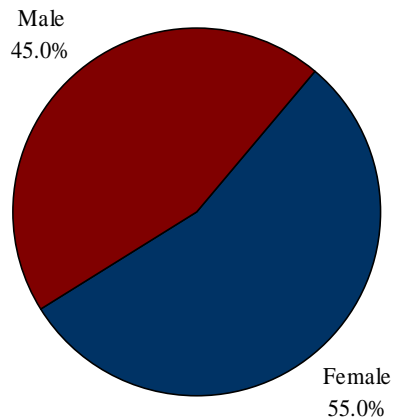


Student Enrollment

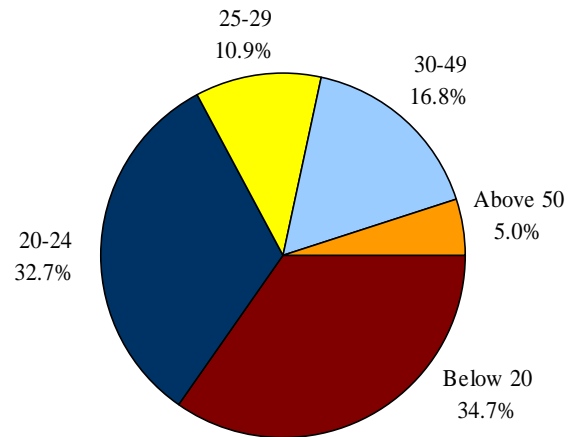


Student Profile

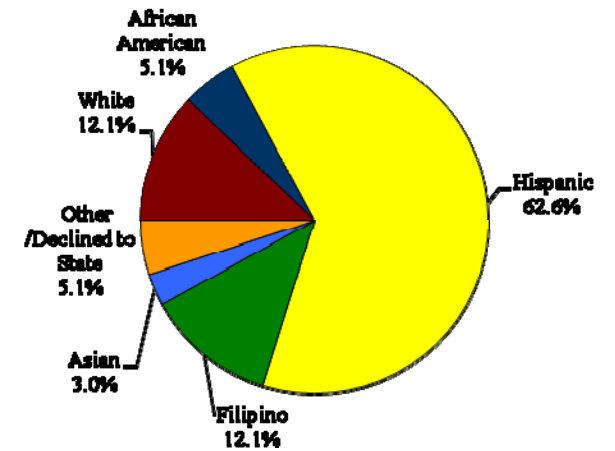
Gender Distribution



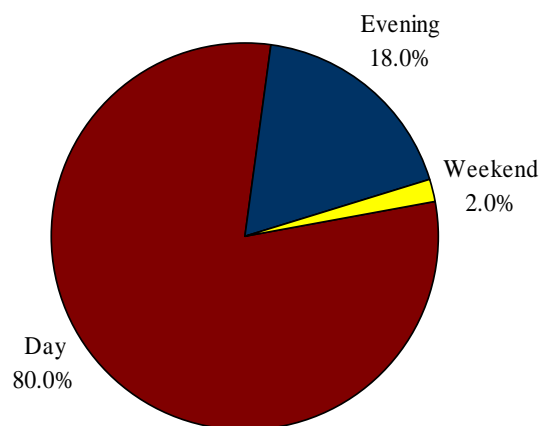
Age Distribution



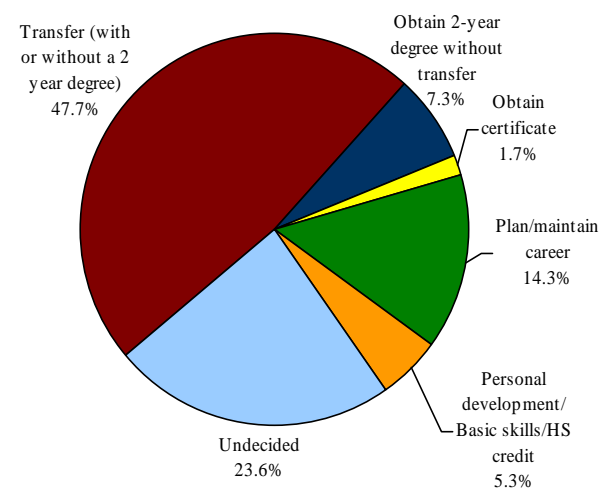
Ethnic Composition



Day/Evening Status



Education Goal Distribution



Educational Programs

- ❖ The District offers the following educational opportunities:
 - Associate of Arts Degree (over 45 different majors)
 - Associate of Science Degree (over 85 different majors)
 - Career and Technical Education Certificates (over 176 to choose from)
 - Non-Credit offerings for personal and professional development
- ❖ The District also provides the following programs/venues of distinction:
 - *MLT Associate Degree Program* – first institution in San Diego County to offer a Medical Laboratory Technology (MLT) Associate Degree Program to its students. This allied health program received approval from the Regional Occupational Deans' Council as well as the California Community College Chancellor's Office. Students enrolled for the fall semester will learn the fundamentals used in a clinical laboratory.
 - *South County Career Center*– the School of Continuing Education and Economic Workforce Development at the South County Center provides service and funds to cover the costs of foreign degree evaluation for Mexican immigrant professionals who participated in the noncredit program "Using your Foreign Degree in the United States". This program and service is very well received by the community due to its uniqueness and need among professionals.
 - *SWC Automotive Program* – underwent a site visit and received NATEF (National Automotive for Technical Education Foundation) certification for six years.
 - *Phlebotomy/Biotechnology Program* – received a Workforce Partnership grant for \$400,000 to fund a Phlebotomy and Biotechnology program to serve the unemployed in San Diego County. These programs are scheduled to start in Spring 2010 and serve approximately 125 students.

Section II – District Finances



History of General Fund Revenues and Expenditures

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT GENERAL FUND – UNRESTRICTED/RESTRICTED

| | Audited Actuals <u>2005-06</u> | Audited Actuals <u>2006-07</u> | Audited Actuals <u>2007-08</u> | Estimated Actuals <u>2008-09</u> | Adopted Budget <u>2009-10</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|-------------------------------------|
| REVENUES | | | | | |
| From Federal Sources | \$3,452,416 | \$3,280,985 | \$3,602,433 | \$3,310,271 | \$2,568,400 |
| From State Sources | 51,141,925 | 59,926,771 | 63,651,653 | 63,016,936 | 60,080,072 |
| From Local and Intermediate Sources | <u>27,152,336</u> | <u>28,575,462</u> | <u>29,264,475</u> | <u>30,414,676</u> | <u>30,213,388</u> |
| TOTAL REVENUES | <u>81,746,677</u> | <u>91,783,218</u> | <u>96,518,561</u> | <u>96,741,883</u> | <u>92,861,859</u> |
| EXPENDITURES | | | | | |
| Academic Salaries | 36,122,782 | 39,008,331 | 41,690,031 | 42,267,613 | 42,761,035 |
| Classified Salaries | 20,414,361 | 22,376,818 | 24,643,369 | 24,709,359 | 22,399,437 |
| Employee Benefits | 11,867,799 | 14,366,892 | 15,307,693 | 14,078,946 | 14,348,170 |
| Supplies and Materials | 2,121,012 | 2,293,200 | 2,132,377 | 1,997,153 | 2,575,720 |
| Other Operating Expenses and Services | 7,937,142 | 8,995,927 | 9,758,143 | 9,384,164 | 11,886,109 |
| Capital Outlay | 2,194,399 | 2,949,724 | 1,431,812 | 1,318,135 | 1,493,063 |
| Other Outgo | <u>1,393,357</u> | <u>1,207,088</u> | <u>1,079,080</u> | <u>851,001</u> | <u>2,732,676</u> |
| TOTAL EXPENDITURES | <u>82,050,852</u> | <u>91,197,980</u> | <u>96,042,506</u> | <u>94,606,372</u> | <u>98,196,209</u> |
| EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES | (304,175) | 585,238 | 476,055 | 2,135,511 | (5,334,350) |
| OTHER FINANCING SOURCES | 5,019,221 | 35,000 | | 317,763 | |
| CHANGE IN FUND BALANCE | 4,715,046 | 620,238 | 476,055 | 2,453,274 | (5,334,350) |
| BEGINNING FUND BALANCE | 5,399,596 | 10,114,439 | 10,538,065 | 11,014,120 | 13,467,394 |
| Prior Year Adjustments | <u>(203)</u> | <u>(196,613)</u> | == | == | == |
| ENDING FUND BALANCE | <u>\$10,114,439</u> | <u>\$10,538,064</u> | <u>\$11,014,120</u> | <u>\$13,467,394</u> | <u>\$8,133,044</u> |

Source: The District.

History of General Fund Revenues and Expenditures

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT GENERAL FUND – RESTRICTED

| | Audited Actuals <u>2005-06</u> | Audited Actuals <u>2006-07</u> | Audited Actuals <u>2007-08</u> | Estimated Actuals <u>2008-09</u> | Adopted Budget <u>2009-10</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|-------------------------------------|
| REVENUES | | | | | |
| From Federal Sources | \$3,406,852 | \$3,188,361 | \$3,514,809 | \$3,215,751 | \$2,483,288 |
| From State Sources | 6,494,247 | 8,858,811 | 8,956,073 | 8,014,787 | 8,141,725 |
| From Local and Intermediate Sources | <u>3,661,634</u> | <u>4,055,947</u> | <u>3,473,324</u> | <u>3,431,416</u> | <u>2,727,711</u> |
| TOTAL REVENUES | 13,562,733 | 16,103,119 | 15,944,206 | 14,661,954 | 13,352,723 |
| EXPENDITURES | | | | | |
| Academic Salaries | 2,414,799 | 3,048,548 | 3,452,149 | 3,360,075 | 3,278,753 |
| Classified Salaries | 4,871,236 | 5,660,572 | 5,868,457 | 5,670,312 | 4,457,275 |
| Employee Benefits | 1,420,187 | 1,784,304 | 1,863,526 | 1,771,199 | 1,374,110 |
| Supplies and Materials | 577,688 | 825,706 | 1,036,946 | 667,258 | 783,318 |
| Other Operating Expenses and Services | 1,590,946 | 1,991,430 | 1,859,563 | 1,699,503 | 2,462,474 |
| Capital Outlay | 782,999 | 1,568,975 | 905,954 | 627,450 | 370,483 |
| Other Outgo | <u>1,317,725</u> | <u>1,013,583</u> | <u>1,078,816</u> | <u>830,737</u> | <u>626,311</u> |
| TOTAL EXPENDITURES | 12,975,579 | 15,893,118 | 16,065,410 | 14,626,453 | 13,352,723 |
| EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES | 587,154 | 211,001 | (121,204) | 35,501 | -- |
| OTHER FINANCING SOURCES | | | | 317,763 | |
| CHANGE IN FUND BALANCE | 587,154 | 211,001 | (121,204) | 353,264 | -- |
| BEGINNING FUND BALANCE | 2,016,050 | 2,603,096 | 1,894,583 | 1,773,379 | 2,126,643 |
| Prior Year Adjustments | <u>(108)</u> | <u>(919,515)</u> | -- | -- | -- |
| ENDING FUND BALANCE | <u>\$2,603,096</u> | <u>\$1,894,582</u> | <u>\$1,773,379</u> | <u>\$2,126,643</u> | <u>\$2,126,643</u> |

Source: The District.

History of General Fund Revenues and Expenditures

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT GENERAL FUND - UNRESTRICTED

| | Audited Actuals <u>2005-06</u> | Audited Actuals <u>2006-07</u> | Audited Actuals <u>2007-08</u> | Estimated Actuals <u>2008-09</u> | Adopted Budget <u>2009-10</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|-------------------------------------|
| REVENUES | | | | | |
| From Federal Sources | \$45,564 | \$92,624 | \$87,624 | \$94,520 | \$85,112 |
| From State Sources | 44,647,678 | 51,067,961 | 54,695,580 | 55,002,149 | 51,938,347 |
| From Local and Intermediate Sources | <u>28,509,924</u> | <u>24,554,515</u> | <u>25,791,151</u> | <u>26,983,260</u> | <u>27,485,677</u> |
| TOTAL REVENUES | 73,203,166 | 75,715,099 | 80,574,355 | 82,079,929 | 79,509,136 |
| EXPENDITURES | | | | | |
| Academic Salaries | 33,707,983 | 35,959,782 | 38,237,883 | 38,907,538 | 39,482,282 |
| Classified Salaries | 15,543,125 | 16,716,246 | 18,774,912 | 19,039,047 | 17,942,162 |
| Employee Benefits | 10,447,611 | 12,582,590 | 13,444,167 | 12,307,827 | 12,974,060 |
| Supplies and Materials | 1,543,324 | 1,467,493 | 1,095,431 | 1,329,895 | 1,792,402 |
| Other Operating Expenses and Services | 6,346,198 | 7,004,497 | 7,898,581 | 7,684,661 | 9,423,635 |
| Capital Outlay | 1,411,400 | 1,380,749 | 525,858 | 690,685 | 1,122,580 |
| Other Outgo | <u>75,632</u> | <u>193,505</u> | <u>263</u> | <u>20,264</u> | <u>2,106,365</u> |
| TOTAL EXPENDITURES | 69,075,273 | 75,304,861 | 79,977,095 | 79,979,919 | 84,843,486 |
| EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,127,893 | 410,238 | 597,260 | 2,100,010 | (5,334,350) |
| OTHER FINANCING SOURCES | | | -- | -- | -- |
| CHANGE IN FUND BALANCE | 4,127,893 | 410,238 | 597,260 | 2,100,010 | (5,334,350) |
| BEGINNING FUND BALANCE | 3,383,343 | 7,511,343 | 8,643,482 | 9,240,742 | 11,340,752 |
| Prior Year Adjustments | <u>107</u> | <u>721,901</u> | -- | -- | -- |
| ENDING FUND BALANCE | <u>\$7,511,343</u> | <u>\$8,643,482</u> | <u>\$9,240,742</u> | <u>\$11,340,752</u> | <u>\$6,006,402</u> |
| General Fund Ending Balance As a Percent of Unrestricted Expenditures | 10.87% | 11.48% | 11.55% | 14.18% | 7.08% |

Source: The District.



2009-10 Adopted Budget Highlights

1. The Governing Board Reserve rose from 6% to 7% as expected by the Board
2. The contingency is approximately \$1,000,000
3. Allowed for the restoration of over \$1 million of unrestricted general fund cuts (particularly to hourly cuts that would have impacted availability of staffing in areas such as student tutoring, dentistry and police academy programs) from positive final operating results from 2008-09 and smaller reductions than planned for in the Tentative Budget
4. Categorical programs are budgeting for full utilization of all carry-over and deferred revenues and are assuming receipt of only 85% of the estimated ARRA (federal stimulus monies) back-fill postponing any decision as to use of unrestricted funds to back-fill the reductions made at the state level until next year

Labor Relations

| | <u># of Employees</u> | <u>Average Salary (2008-09)</u> |
|------------------|-----------------------|---------------------------------|
| <u>Full-Time</u> | | |
| Management: | 57 | \$93,718 |
| Classified: | 333 | \$45,480 |
| Certificated: | 250 | \$85,439 |
| <u>Part-Time</u> | 1,210 | \$73,294 |

| <u>Bargaining Units</u> | <u>Contract Expiration</u> | <u>Salary Increases</u> |
|--|----------------------------|--|
| California Teacher's Association | June 30, 2009* | FY 2006-07: 7.00% FY 2007-08: 4.53% FY 2008-09: 0.00% FY 2009-10: 0.00% |
| California School Employee's Association | June 30, 2008* | FY 2006-07: 7.00% FY 2007-08: 4.53% FY 2008-09: 0.00% FY 2009-10: 0.00% |

* Contract currently being renegotiated

Other Post-Employment Benefits

- ❖ The District provides post employment health care benefits for eligible retirees. The retiree must have worked for the District for at least 10 years (administrators) to 15 years (classified/academic).
- ❖ The District commissioned an actuarial study by Total Compensation System, dated as of 3/8/2007, with respect to its accrued liability in connection with the Benefits. The study concluded that the unfunded actuarial accrued liability with respect to the Benefits, as of 12/1/2005, was \$10,778,362, and that the annual required contribution (“ARC”) is \$824,684. The ARC is the annual amount that would be necessary to fund the Benefits in accordance with the Governmental Accounting Standards Board Statements Nos. 43 and 45.
- ❖ The District currently has \$1.3 million in an irrevocable trust to pay Benefits. In addition, the District is planning to set aside \$500,000 per year above pay-as-you-go.
- ❖ The District is currently in the process of reviewing a revised draft of an updated actuarial study and expects no significant changes.

Long-Term Debt

Direct and Overlapping Tax And Assessment Debt

Southwestern Community College District

Metropolitan Water District

Coronado Unified School District

Sweetwater Union High School District

Chula Vista School District

San Ysidro School District

South Bay Union School District

City of National City

City of San Diego

Otay Municipal Water District, I.D. No 27

City 1915 Act Bonds

City of Chula Vista Community Facilities Districts

School District Community Facilities Districts

Total Direct and Overlapping Tax and Assessment Debt

| Debt as of 8/1/09 | Ratio to AV | Debt per Capita |
|-------------------|-------------|-----------------|
| \$ 81,958,656 | 0.18% | \$ 174.22 |
| 5,504,653 | 0.01% | 11.70 |
| 14,495,000 | 0.03% | 30.81 |
| 343,675,044 | 0.75% | 730.57 |
| 78,430,000 | 0.17% | 166.72 |
| 87,392,104 | 0.19% | 185.77 |
| 20,986,918 | 0.05% | 44.61 |
| 5,274,166 | 0.01% | 11.21 |
| 189,832 | 0.00% | 0.40 |
| 8,395,000 | 0.02% | 17.85 |
| 52,905,089 | 0.12% | 112.46 |
| 240,100,000 | 0.53% | 510.39 |
| 217,274,987 | 0.48% | 461.87 |
| \$ 1,156,581,449 | 2.54% | \$ 2,458.60 |

Source: California Municipal Statistics, Inc.

Long-Term Debt (Continued)

| | Debt as of 8/1/09 | Ratio to AV | Debt per Capita |
|--|-------------------------|--------------|--------------------|
| Overlapping General Fund Obligation Debt | | | |
| Southwestern Community College District General Fund Obligations | \$ 1,700,000 | 0.00% | \$ 3.61 |
| San Diego County General Fund Obligations | 53,699,093 | 0.12% | 114.15 |
| San Diego County Pension Obligations | 114,582,906 | 0.25% | 243.57 |
| San Diego County Superintendent of Schools Obligations | 1,903,951 | 0.00% | 4.05 |
| Sweetwater Union High School District Certificates of Participation | 12,808,719 | 0.03% | 27.23 |
| Coronado Unified School District Certificates of Participation | 10,435,000 | 0.02% | 22.18 |
| Chula Vista City School District Certificates of Participation | 128,975,000 | 0.28% | 274.17 |
| San Ysidro School District Certificates of Participation | 37,455,000 | 0.08% | 79.62 |
| City of Chula Vista General Fund Obligations | 129,290,000 | 0.28% | 274.84 |
| City of Chula Vista Pension Obligations | 4,980,000 | 0.01% | 10.59 |
| City of National City General Fund Obligations | 3,827,138 | 0.01% | 8.14 |
| City of San Diego General Fund Obligations | 18,995,845 | 0.04% | 40.38 |
| Otay Municipal Water District Certificates of Participation | 48,038,698 | 0.11% | 102.12 |
| San Miguel Consolidated Fire Protection District Certificates of Participation | 27,537 | 0.00% | 0.06 |
| Less: Otay Municipal Water District (100% self-supporting) | (48,038,698) | -0.11% | (102.12) |
| Sweetwater Union High School District QZAB | (4,999,500) | -0.01% | (10.63) |
| San Ysidro School District QZAB | (5,000,000) | -0.01% | (10.63) |
| <i>Total Direct and Overlapping General Fund Debt</i> | <i>\$ 508,680,689</i> | <i>1.12%</i> | <i>\$ 1,081.33</i> |
| Gross Combined Total Debt ¹ | \$ 1,723,300,336 | 3.78% | \$ 3,663.31 |
| Net Combined Total Debt | \$ 1,665,262,138 | 3.66% | \$ 3,539.93 |
| 2008-09 Assessed Valuation | \$ 45,531,690,113 | | |
| Jan 1, 2008 Estimated District Population | 470,422 | | |
| 2008-09 Assessed Valuation per Capita | \$96,789 | | |

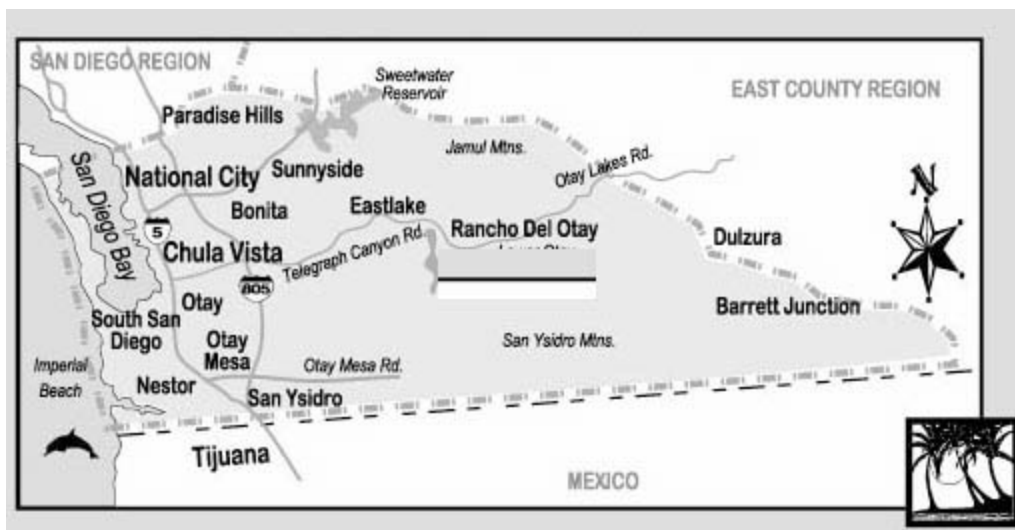
¹ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Section III – Tax Base and Economic Factors



Regional Overview – South San Diego County



- ❖ San Diego County is the southernmost major metropolitan area in the State of California, enjoying 70 miles of Pacific Ocean coastline, and a shared southern border with the country of Mexico.

- ❖ South County, also known as South Bay, is a region in southwestern San Diego County. It includes communities of Bonita, Castle Park, Coronado, Chula Vista, Eastlake, Imperial Beach, National City, Nestor, Otay Mesa, Palm City, and San Ysidro.
- ❖ South County is conveniently located near two international airports, the Port of San Diego, railroads, highways, the international border, and the major metropolitan areas of San Diego and Tijuana.

“San Diego County’s most promising economic hot-spot is the South County. No other area has as much to offer... land, a talented work-force and cooperative governments with incentives to help the right industries.”

Greg Cox, County Supervisor

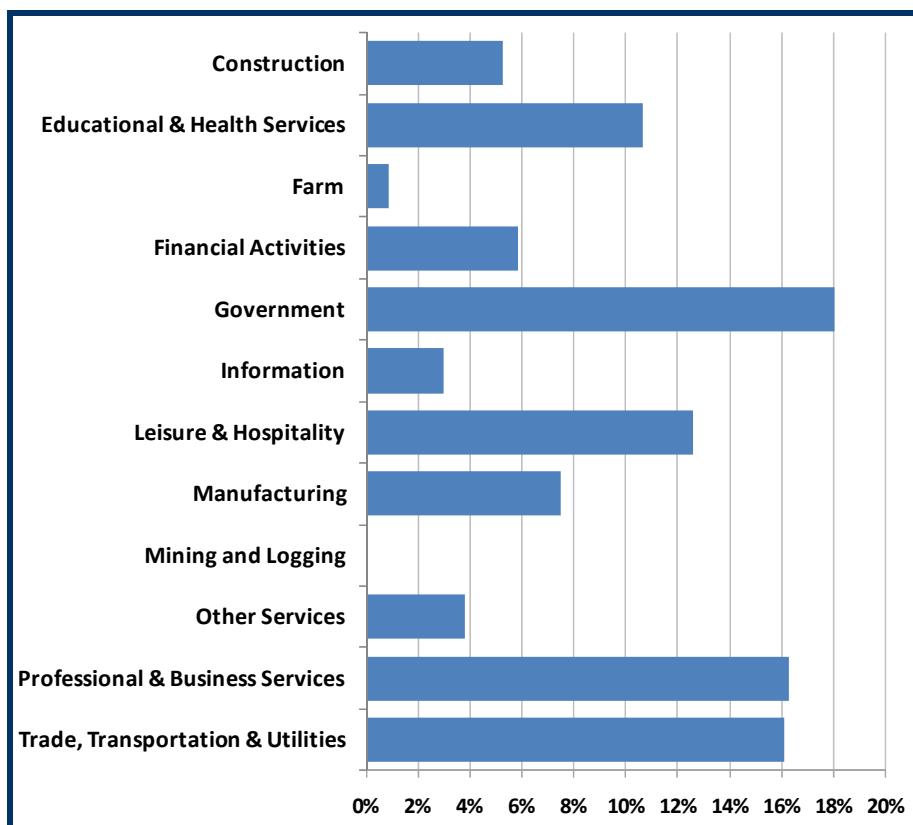
Regional Overview – South San Diego County (Continued)

- ❖ South County's entire economy is collectively linked with the border. Increasing sales to shoppers from south of the border has propelled the region's retail growth over the past decade.
- ❖ Approximately 50 percent of business for Costco Wholesales in Chula Vista comes from residents of Tijuana, Mexico.
- ❖ Two of the 39 designated Enterprise Zones in California are located in South San Diego.
- ❖ The South County Economic Development Council offers many incentives and resources to businesses in the relocation process, such as tax incentives, site location assistance, loans, and matching grants.
- ❖ Because of its affordable land, skilled labor force, and business-friendly environment, South County has attracted many large companies such as Honeywell, Sanyo, and Sony and is projected to become a hub for high-tech and biotech companies in the next decade.



Diverse Economic and Employment Base

Share of Employment, 2008
San Diego-Carlsbad-San Marcos Statistical Area



- ❖ The San Diego Region has a diverse economy, and all its businesses and industries contribute to the area's economic growth.
- ❖ Employment in the San Diego Region is concentrated in government, professional & business services and trade, transportation & utilities, which account for over 50% of the total employment in 2008.
- ❖ 11% of total employment is in retail trade (subdivision within trade, transportation, & utilities). General department stores and other clothing and accessory stores serve not only the residents of South County, but also many shoppers from south of the border.

Assessed Valuation and Historical Growth

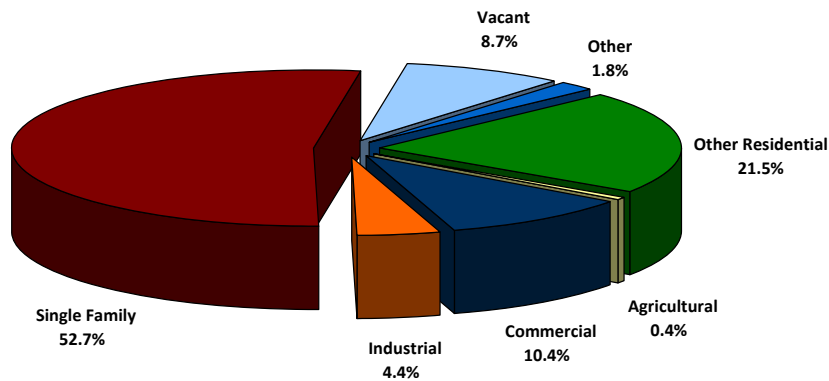
Southwestern Community College District

| <u>FY Ending</u> | <u>Assessed Valuation</u> | <u>% of Change</u> |
|----------------------------|---------------------------|--------------------|
| 1997 | 14,255,901,561 | - |
| 1998 | 14,510,317,213 | 1.78% |
| 1999 | 15,509,276,527 | 6.88% |
| 2000 | 15,999,714,943 | 3.16% |
| 2001 | 17,368,710,659 | 8.56% |
| 2002 | 20,791,476,652 | 19.71% |
| 2003 | 23,050,622,123 | 10.87% |
| 2004 | 25,927,254,602 | 12.48% |
| 2005 | 29,349,974,539 | 13.20% |
| 2006 | 34,296,882,167 | 16.85% |
| 2007 | 39,183,582,734 | 14.25% |
| 2008 | 43,701,112,227 | 11.53% |
| 2009 | 45,531,690,113 | 4.19% |
| 2010 | 42,407,554,679 | -6.86% |
| Average Annual Growth Rate | | 8.97% |

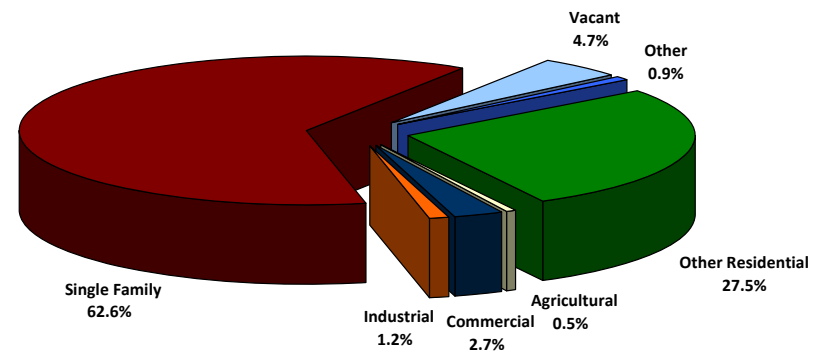
2008-09 Assessed Valuation by Land Use

Southwestern Community College District

2008-09 Distribution of Assessed Valuation
(Total Secured A.V. = \$44.2 Billion)



2008-09 Distribution of Taxable Parcels
(Total Taxable Parcels = 111,758)



Source: California Municipal Statistics, Inc.

2008-09 Assessed Valuation by Jurisdiction

Southwestern Community College District

| Jurisdiction: | Assessed Valuation in District | % of District | Assessed Valuation of Jurisdiction ⁽¹⁾ | % of Jurisdiction in District |
|---------------------------------|---|--------------------------|--|--|
| City of Chula Vista | \$24,823,395,749 | 54.52% | \$24,823,395,749 | 100.00% |
| City of Coronado | 6,050,373,207 | 13.29 | \$6,050,373,207 | 100.00% |
| City of Imperial Beach | 1,547,063,609 | 3.40 | \$1,547,063,609 | 100.00% |
| City of National City | 3,126,110,501 | 6.87 | \$3,129,515,389 | 99.89% |
| City of San Diego | 7,768,726,917 | 17.06 | \$182,688,507,274 | 4.25% |
| Unincorporated San Diego County | 2,216,020,130 | 4.87 | \$61,689,533,523 | 3.59% |
| Total San Diego County | \$45,531,690,113 | 100% | \$398,665,385,742 | 11.42% |

⁽¹⁾ Before deduction of redevelopment incremental valuation

Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers

| Southwestern Community College District | | | | |
|---|---|-------------------------|---|----------------------------------|
| <u>Rank</u> | <u>Property Owner</u> | <u>Primary Land Use</u> | <u>2008-09 Secured Assessed Valuation</u> | <u>% of Total ⁽¹⁾</u> |
| 1 | San Diego Expressway LP | Toll Road | \$600,000,000 | 1.36% |
| 2 | Otay Ranch LLC | Residential Development | 420,732,872 | 0.95 |
| 3 | CNL Hotel Del Partners LP | Hotel | 387,147,073 | 0.88 |
| 4 | Chelsea San Diego Finance LLC | Shopping Center | 271,966,319 | 0.62 |
| 5 | Village II of Otay LP | Residential Development | 265,673,160 | 0.60 |
| 6 | GGP-Otay Ranch LP | Shopping Center | 183,317,833 | 0.41 |
| 7 | Rohr Inc. | Industrial | 170,437,275 | 0.39 |
| 8 | Shea Homes LP | Residential Development | 134,552,652 | 0.30 |
| 9 | Centermark Properties Inc. | Shopping Center | 126,346,538 | 0.29 |
| 10 | OV Three Two LLC | Residential Development | 118,746,964 | 0.27 |
| 11 | Regulo Place Apartments Investors LLC | Apartments | 113,980,960 | 0.26 |
| 12 | EQR-Missions at Sunbow LLC | Apartments | 88,805,655 | 0.20 |
| 13 | Coronado Commonwealth Apartments Inc. | Apartments | 85,530,289 | 0.19 |
| 14 | Rancho mesa LP | Residential Development | 85,503,816 | 0.19 |
| 15 | BRE Properties Inc. | Apartments | 84,496,002 | 0.19 |
| 16 | 51 st St. & 8 th Avenue Corporation | Hotel | 83,664,405 | 0.19 |
| 17 | Host Hotels & Resorts LP | Hotel | 79,017,273 | 0.18 |
| 18 | SV Portfolio LP | Industrial | 78,448,200 | 0.18 |
| 19 | Corrections Corp. of America | Correctional Facility | 75,289,082 | 0.17 |
| 20 | CV Center Inc. | Shopping Center | <u>70,059,164</u> | <u>0.16</u> |
| | | | \$3,523,715,532 | 7.98% |

Source: California Municipal Statistics, Inc.

Major Employers

2009 MAJOR EMPLOYERS South County

| <u>COMPANY NAME</u> | <u>Total Number of Employees</u> |
|--|--------------------------------------|
| United States Navy, San Diego | 42,000 |
| United States Border Patrol | 2,700 |
| Chula Vista Elementary School District | 2,560 |
| Southwestern Community College | 1,949 |
| Goodrich Aerostructures | 1,850 |
| Chula Vista Center | 1,800 |
| City of Chula Vista | 1,695 |
| Sharp Chula Vista Medical Center | 1,642 |
| Paradise Valley Hospital | 1,515 |
| Richard J. Donovan Correctional Facility | 1,297 |
| The Shops At Las Americas | 1,150 |
| Scripps Mercy Hospital | 1,080 |
| Border Assembly Inc. | 1,000 |
| DeliMex Corporation | 700 |
| Wal-Mart | 650 |
| United Parcel Service | 637 |
| City of National City | 606 |
| Target Stores | 604 |
| Price Costco Wholesale | 560 |
| Autoliv | 500 |

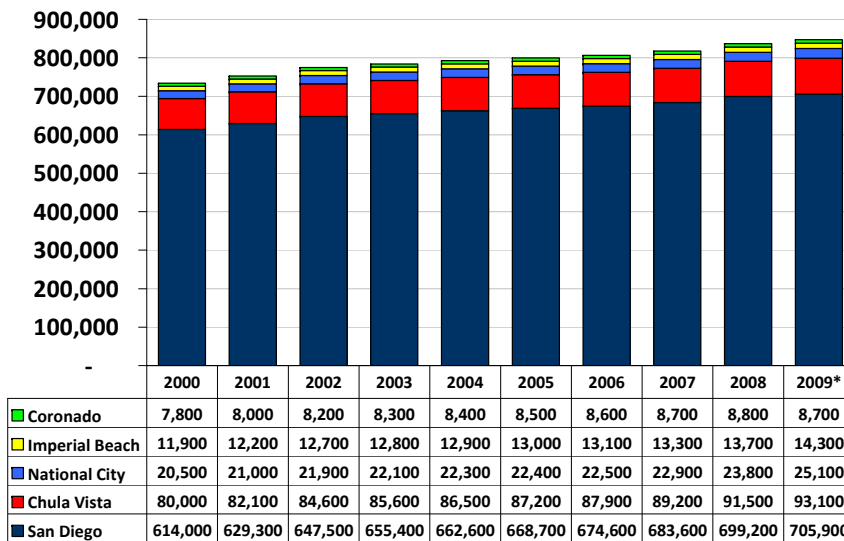
Source: San Diego Source - The Daily Transcript

*As of February 1, 2009

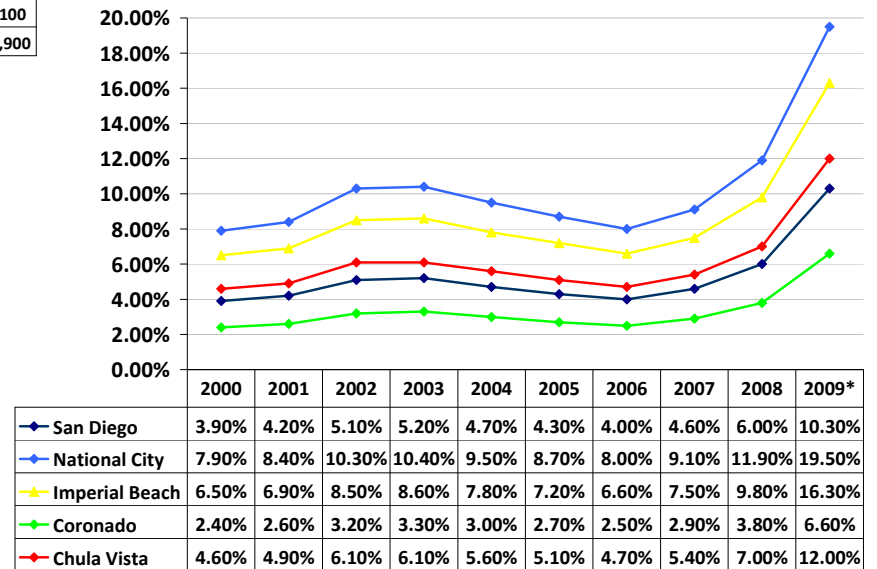


Labor Market

South San Diego County Labor Force



South San Diego County Unemployment Rate



*Figures as of July 1, 2009

Source: California Employment Development Department Labor Market Information Division.

District Demographics

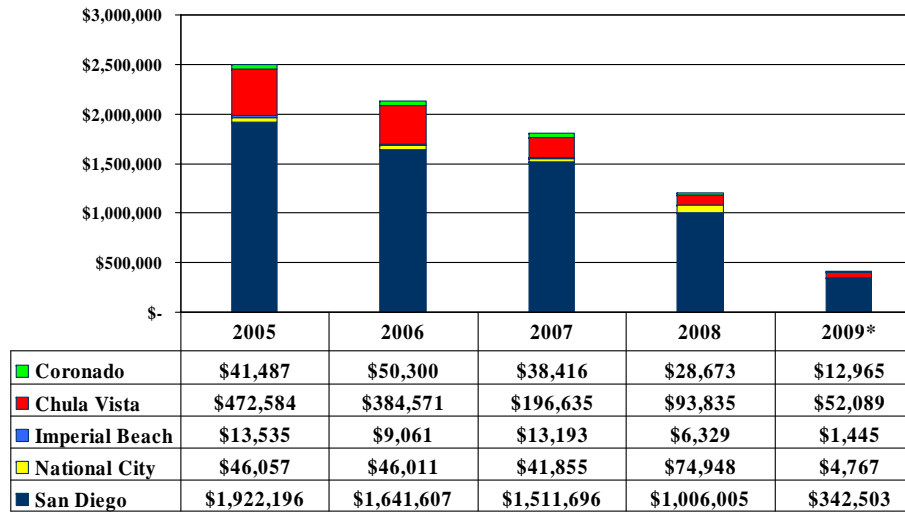
POPULATION, HOUSING & INCOME ESTIMATES Southwestern Community College District

| | <u>April 1</u> <u>2000 Census</u> | <u>January 1</u> <u>2008</u> | <u>2010</u> <u>Forecast</u> | <u>2020</u> <u>Forecast</u> | <u>2030</u> <u>Forecast</u> |
|--|--------------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Population | 391,131 | 470,422 | 496,299 | 589,628 | 642,090 |
| Housing Units | 124,013 | 146,158 | 153,988 | 182,740 | 191,463 |
| Median Household Income (Adjusted for inflation - 1999\$) | \$42,249 | \$47,199 | \$49,914 | \$54,236 | \$57,521 |

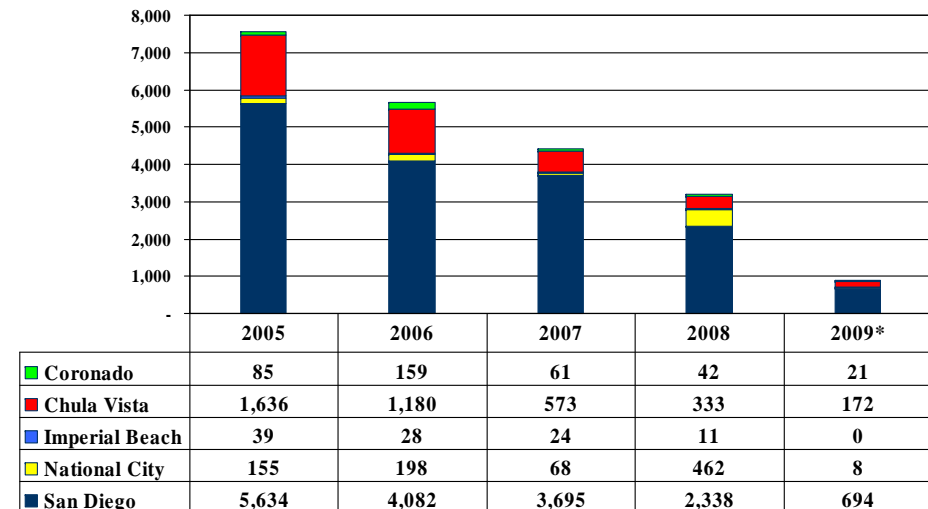
- ❖ In the 2000-2008 period, the population in the District grew over 20%, while the number of housing units grew approximately 18%.
- ❖ According to SANDAG's regional growth forecast, the population, housing units and median household income in the District will continue to steadily increase over the next two decades.

Building Permit Valuations

Building Permits - Total Valuations
(Dollars in Thousands)



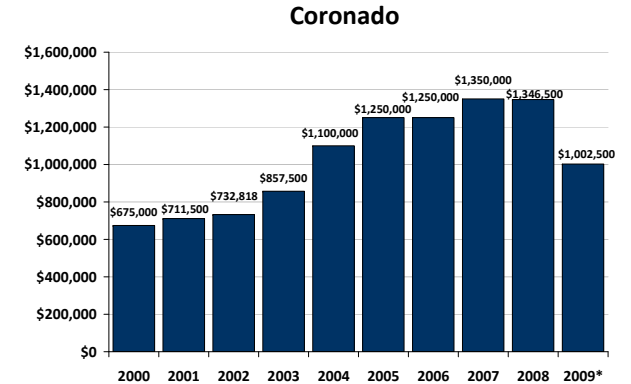
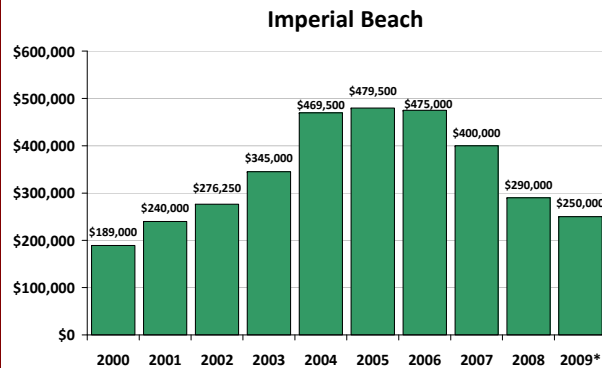
Building Permits - New Housing Units



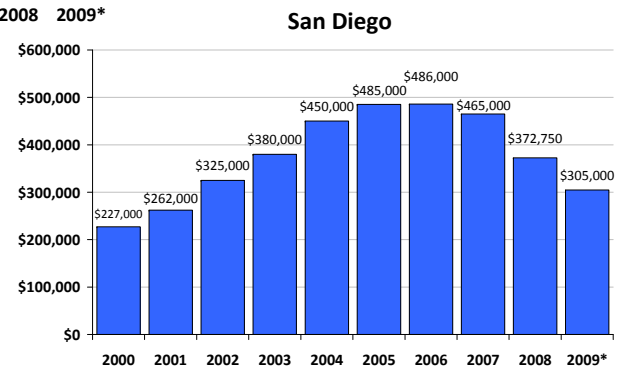
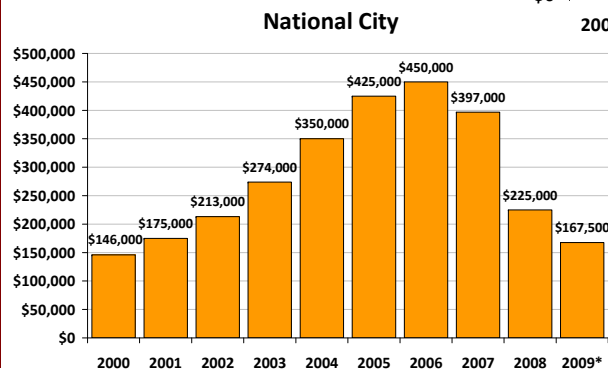
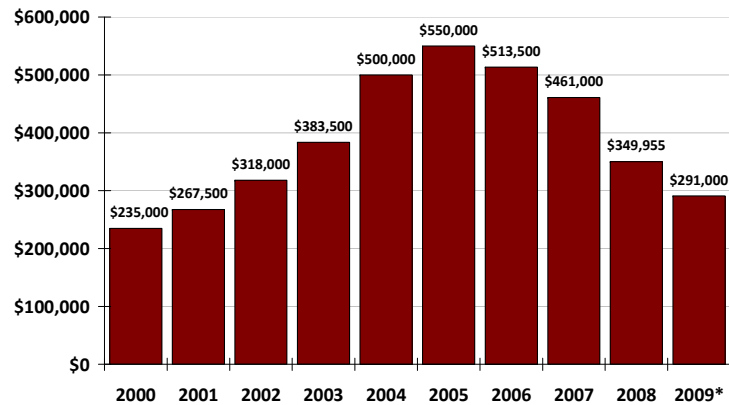
*Figures as of July 1, 2009

Source: Construction Industry Research Board

Median Home Sale Price



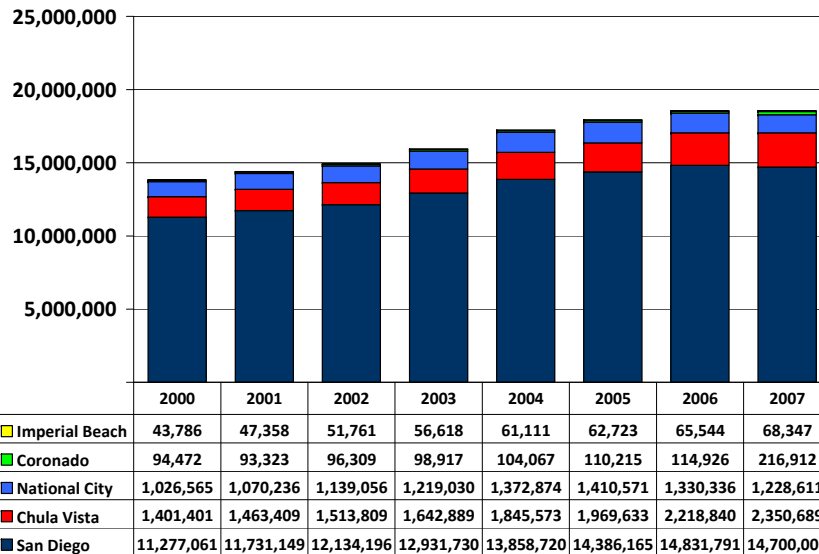
Chula Vista



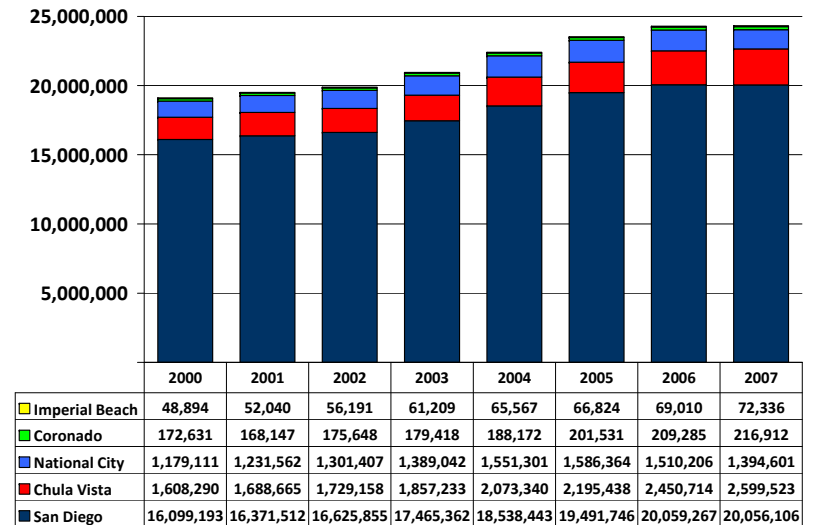
*Figures as of July 1, 2009 Source: DataQuick

Taxable Sales

**South San Diego County Taxable Sales – Retail Sales
(Dollars in Thousands)**



**South San Diego County Taxable Sales – Total Outlets
(Dollars in Thousands)**



Local Developments

❖ South Bay Expressway

- A 10-mile toll road extension to State Route 125
- Connects State Route 905 in Otay Mesa to State Route 54 in Spring Valley
- Provides fast and convenient access to and from Mexico and communities across San Diego County
- Opened in November 2007



❖ Otay Ranch – Chula Vista

- A 5,300-acre master-planned community that features schools, parks, swim clubs, trail systems and a medical center
- Currently comprised of 4,000 homes
- 10,000 new homes are projected to be built over the next three decades
- Village of Montecito, the largest and most ambitious village to date, will begin home sales in 2010
 - The 838-acre village will house 2,800 homes, a traditional town square, an elementary school, two city parks totaling 14 acres, multi-family residential housing and two commercial areas with an estimated total of more than 250,000 square feet of shopping, entertainment venues, and community facilities.
 - Homes are expected to range from one-bedroom flats atop stores on the main street to executive-size residences on 10,000-square-foot lots overlooking Wolf Canyon



Local Developments (Continued)

❖ Eastern Urban Center – Chula Vista

- Equal to about 80 square blocks of downtown San Diego
- Up to 3,000 multi-family homes
- Adult school site will be included
- Civic and cultural facilities
- Designated as by SANDAG as a Smart Growth Urban Center
- Up to 300,000 of of retail and commercial users
- A variety of parks, town squares, and plazas
- Integrated Bus Rapid Transit system
- Pedestrian circulation system



11 07 2007

Local Developments (Continued)

❖ H Street Corridor – Chula Vista

- Serves as a major commercial and office corridor connecting the undeveloped Bayfront with the historic Third Avenue area.
- Selected by San Diego Association of Governments (SANDAG) for a Smart Growth 3-D Visual Simulation (one of three project areas)
- Model completed, Projected opening TBD



❖ E Street Transit Focus Area – Chula Vista

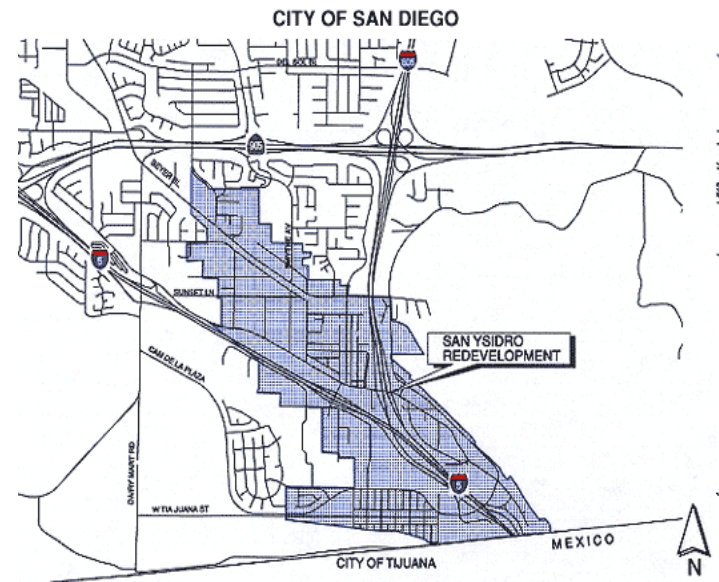
- Critical catalyst location for strategically “kick-starting” the redevelopment of western Chula Vista.
- One of three Transit Focus Areas designated by the General Plan Update to allow for the greatest densities and heights in the City.
- Project opening TBD



Local Developments (Continued)

❖ San Ysidro Redevelopment Project

- Focus on redeveloping a vital business district, attracting new businesses to the area, and encouraging continued tourism from American and Mexican visitors.
- The project area is located on the United States-Mexico border where Interstates 5 and 805 merge.
- It also includes a corridor along the San Diego Trolley route with retail and residential land.
- Easy access to the area and its proximity to Tijuana provide excellent large- and small-scale development opportunities.
- Project Opening Fiscal Year 2011



Local Developments (Continued)

❖ Coronado Unified School District Education Center

- The District Education Center project will provide a newly constructed District office.
- It is envisioned to consist of a single-story building that would house office, support services and meeting spaces for administrative staff, the Coronado School Foundation, the print shop, and include a 75 seat meeting room for School Board meetings.
- Project will consist of the relocation and reconstruction of the Maintenance and Operations facility currently located at the District Office to Seventh Street between F Avenue and G Avenue, demolition and reconstruction of the athletic visitor's concession and bathroom facility and athletic storage, the reconstruction of the Palm Academy at the current location of the District Office and the installation of central HVAC controls for the Coronado High School, Village Elementary School, and Coronado Middle School. This project will consolidate uses and provide for a more efficient utilization of the School District's resources.
- Timeframe: 2006-2010

❖ High School Construction/Reconstruction - Coronado

- The first two phases are complete; Phases III and IV are under construction. Phases V, VI, and VII are expected to be constructed between 2005 and 2007. Additional work will include improvements to the Practical Arts Building, Science Wing, and Fine Arts Building.
- The total project cost is estimated at \$50,000,000, however the High School project is being funded by School District General Obligation bond proceeds and other School District funds as well as Agency tax allocation bond proceeds. This project will improve dilapidated and inadequate school facilities and provide facilities large enough to accommodate the growing student population of Coronado.
- Timeframe: 2005-2010



Local Developments (Continued)

❖ Paradise Village Retirement Community – National City

- For residents 55 and older on a property adjacent to Paradise Valley Hospital. The development will include a total of 497 residential units, including one building for assisted living residents and six buildings for independent living residents. The project also includes a Village Square building that will include amenities for the community residents, such as an Olympic-length pool, fitness center, credit union, auditorium, beauty salon, offices, and other facilities.
- The project site is on approximately twelve acres located between 4th and 8th Streets within National City. Surrounding uses include Paradise Valley Hospital to the west, a private school campus and single- and multi-family housing to the east, a single-family neighborhood to the north, and multi-family residential to the south.
- This project is currently under construction.



Local Developments (Continued)



(Before)

❖ Façade Improvement Program – Imperial Beach

- The RDA approved \$4.5 million dollars for street overlay, sidewalk construction, curb and gutter construction, handicap access ramp construction, cross gutter and storm drain construction.
- Park and recreation facility improvements received a final appropriation of \$1million.
- The remaining \$500,000 is earmarked to create an Alley Assessment District to pave all the City's unpaved alleys.

❖ Old Palm Revitalization – Imperial Beach

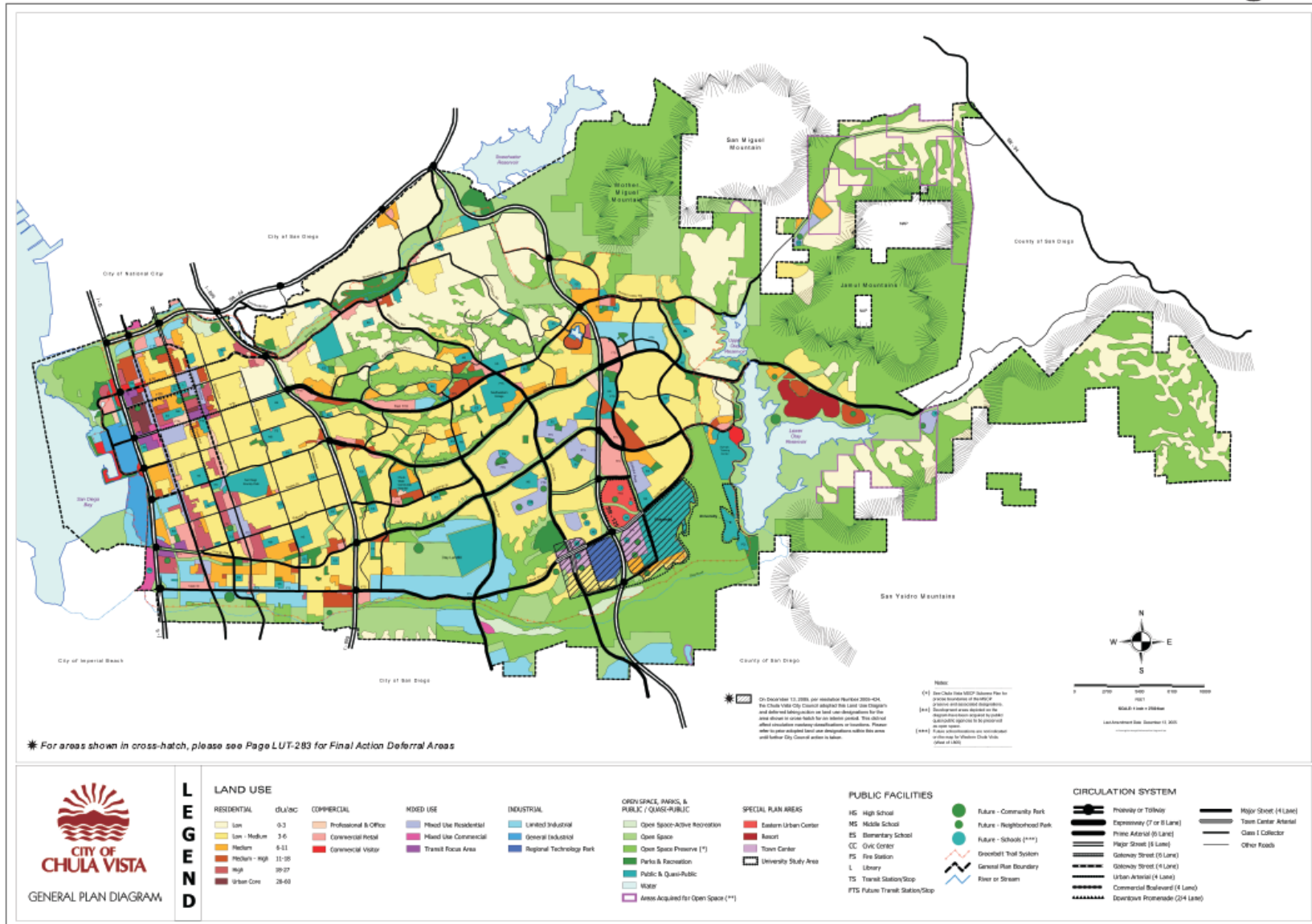
- Design calls for the sidewalks to be widened to 15', retain parallel parking, removal of the medians, and to create a three-way stop at 2nd Street.
- Consideration of design and aesthetic elements included crosswalks, sidewalks, streetlights and landscape.



(After)

Local Developments (Continued)

General Plan Land Use Diagram



Source: City of Chula Vista

Section IV – Facilities Plan



Overview of District Facilities

❖ Southwestern Community College Chula Vista Campus

- 72 principal buildings
- 1,061 rooms
- 500,226 total assignable square feet
- 682,685 overall gross square feet



❖ Higher Education Center Otay Mesa

- 5 principal buildings
- 26 rooms
- 55,400 total assignable square feet
- 77,0000 overall gross square feet



❖ Higher Education Center National City

- 1 principal building
- 20 rooms
- 33,972 total assignable square feet
- 48,000 overall gross square feet



❖ Higher Education Center San Ysidro

- 1 principal building
- 13 classrooms/labs
- 12,811 total assignable square feet



Master Facilities Plan

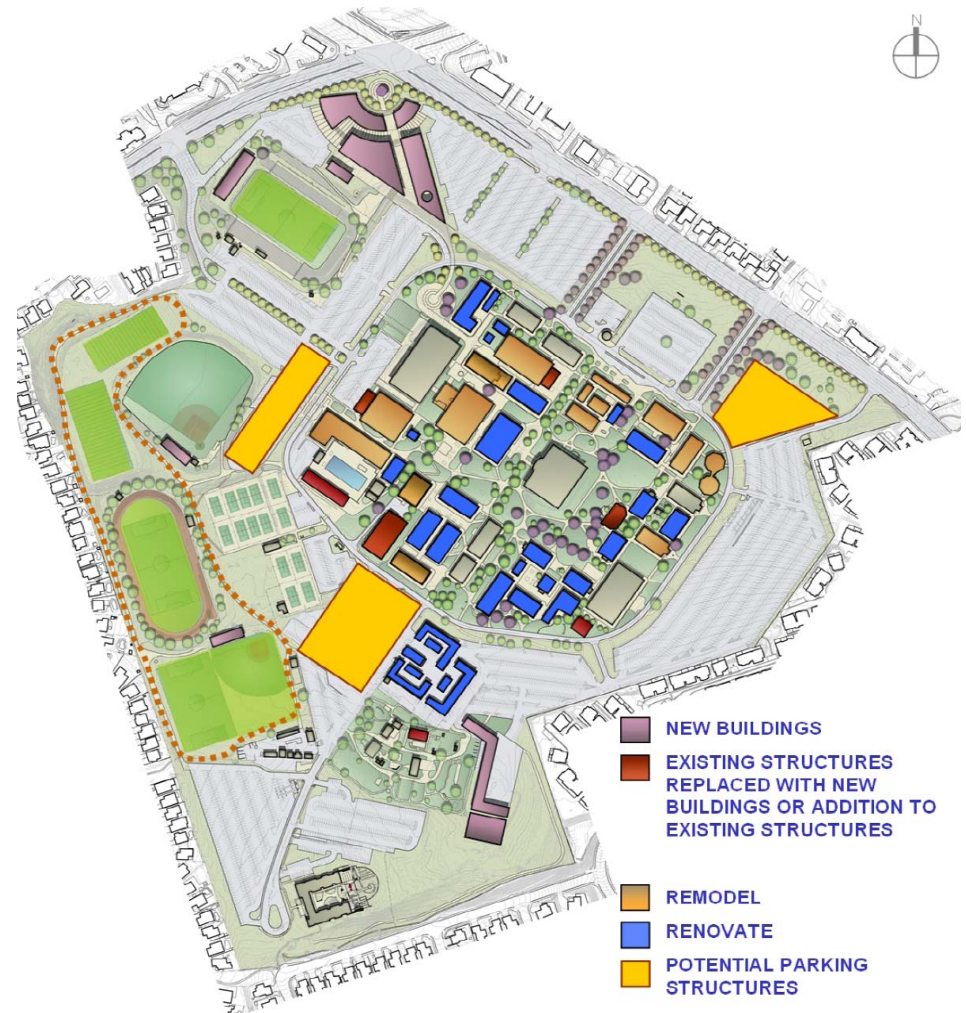
FACILITIES MASTER PLAN

Chula Vista Campus

The Facilities Master Plan for the Chula Vista Campus includes:

- ❖ Construction of new state-of-the-art buildings
- ❖ Replacement of existing modular structures with new state-of-the-art facilities
- ❖ Remodel of existing buildings
- ❖ Renovation of existing buildings
- ❖ Additions to existing buildings
- ❖ Renovation of existing pool
- ❖ Rebuilt existing tennis courts
- ❖ Rebuilt nine lane running track
- ❖ Installation of synthetic turf on existing athletic fields
- ❖ Installation of new outdoor training course
- ❖ Installation of new entry drives
- ❖ Installation of new drought tolerant landscaping adjacent to perimeter roads
- ❖ Construction of new Central Plant
- ❖ Construction of new parking structures

Over 40,000 square feet of existing structures (omitted from the diagram for clarity) will be removed to make land available for open space and new more programmatically and energy efficient buildings.



Bond Project and Phasing Schedule

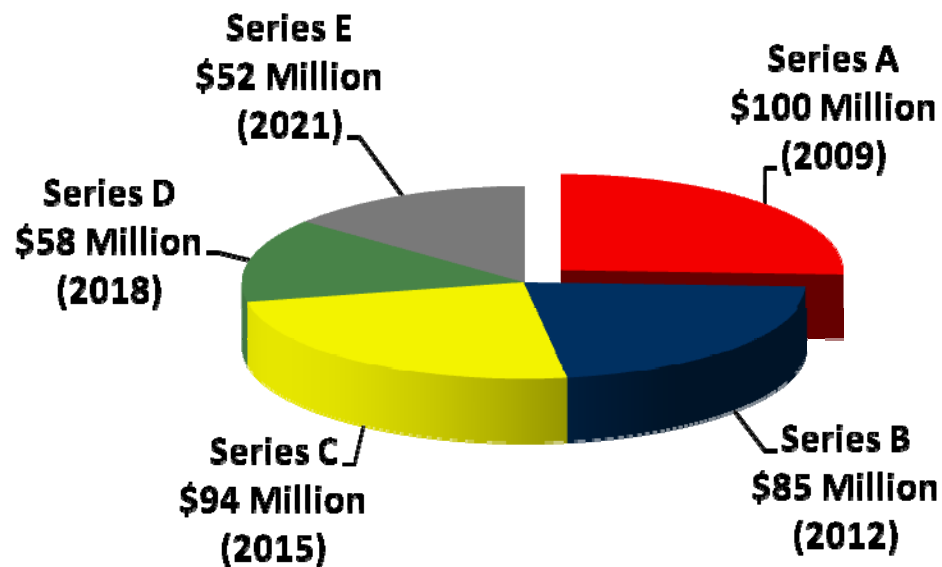
| Phase I | | Phase IV | |
|---|----------------------|--|----------------------|
| National City New Two-Story Facility (classrooms & labs) | \$17,715,000 | Overall Phase 3 Demolition; Remove Building 640, 650, 660, 1020, all | \$1,625,000 |
| Corner Parcel Development | 73,835,000 | 1600 buildings, 1700/1710, 1730, 1735 & Pools | |
| Replacement of Devore Stadium Field House, Classrooms, Team Rooms | | San Ysidro Construction of a Parking Structure | \$5,478,000 |
| Shower & Locker Rooms, Faculty Offices, Weight & Fitness Room | <u>8,595,000</u> | Replacement of Roofing, HVAC, Electrical Systems, Plumbing and | \$26,877,500 |
| Phase I Total | \$100,145,000 | Flooring for Buildings District Wide | |
| | | Central Power Plant | <u>\$24,590,000</u> |
| | | Phase IV Total | \$58,570,500 |
| Phase II | | Phase V | |
| Remodel of 100 Buildings, Classrooms & Faculty Resource Center | \$5,370,000 | Otay Mesa Phase II Classrooms and Labs | \$25,526,000 |
| Remodel of 330/310, Chemistry and Life Science Laboratories Classroom | 3,245,000 | Replacement of Roofing, HVAC, Electrical Systems, Plumbing and | |
| New Science Building | 3,200,000 | Flooring for Buildings District Wide | 26,877,500 |
| Remodel of Cafeteria Building 610 | 10,272,000 | Phase V Total | \$52,403,500 |
| Mayan Hall (Theater) Renovation and ADA Access | 8,126,000 | | |
| Synthetic Turf, Track, Team Rooms & Training Course | 11,231,000 | | |
| Construct New Horticulture Classroom Building | 1,256,000 | | |
| New Higher Education Center(s) Eastern and Western Chula Vista | <u>40,977,000</u> | | |
| Phase II Total | \$83,677,000 | TOTAL | \$388,575,000 |
| Phase III | | | |
| Remodel of 200 & 300 Buildings (210,220,381, 382) | \$9,234,000 | | |
| Remodel of Classroom Buildings (630 & 710) | 3,839,000 | | |
| Replacement of Swimming Pools | 3,126,000 | | |
| Tennis Courts and Lighting | 4,853,000 | | |
| Remodel Gymnasium & Building 1000 | 15,477,000 | | |
| Construct Maintenance and Operations Buildings | 9,033,000 | | |
| Landscaping and Entry Construction | 4,497,000 | | |
| Updated Security, Fire Alarms and Technology | 2,106,000 | | |
| Instructional Equipment for Renovated and Remodeled Buildings | 20,180,000 | | |
| Utility Replacement/Upgrade (District-wide) | <u>21,434,000</u> | | |
| Phase III Total | \$93,779,000 | | |

Section V – Plan of Finance



Plan of Finance

- ❖ Total Bonds Authorized: \$389 million on November 4, 2008
- ❖ Estimated Series A Proceeds: \$100 million
- ❖ Estimated Tax Rate of \$19.60 per \$100,000 of Assessed Valuation
- ❖ Legal Process



Tentative Financing Schedule

- ❖ Sept. 28-29: Rating Agency Presentations
- ❖ Oct. 6: Deadline to Receive Bond Ratings
- ❖ Oct. 8: Mail Preliminary Official Statement
- ❖ Week of Oct. 12: Bond Pricing
- ❖ Week of Oct. 26: Bond Closing

| SEPTEMBER 2009 | | | | | | |
|----------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

| OCTOBER 2009 | | | | | | |
|--------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

New Bond Project and Phasing Schedule

Phase I

| | |
|--|--------------------|
| National City New Two-Story Facility (classrooms & labs) | \$17,715,000 |
| Corner Parcel Development | \$73,835,000 |
| Replacement of Devore Stadium Field House, Classrooms, Team Rooms Shower & Locker Rooms, Faculty Offices, Weight & Fitness Room | <u>\$8,595,000</u> |
| | \$100,145,000 |

Phase II

| | |
|---|---------------------|
| Remodel of 100 Buildings, Classrooms & Faculty Resource Center | \$5,370,000 |
| Remodel of 330/310, Chemistry and Life Science Laboratories Classroom | \$3,245,000 |
| New Science Building | \$3,200,000 |
| Remodel of Cafeteria Building 610 | \$10,272,000 |
| Mayan Hall (Theater) Renovation and ADA Access | \$8,126,000 |
| Synthetic Turf, Track, Team Rooms & Training Course | \$11,231,000 |
| Construct New Horticulture Classroom Building | \$1,256,000 |
| New Higher Education Center(s) Eastern and Western Chula Vista | <u>\$40,977,000</u> |
| | \$83,677,000 |

Phase III

| | |
|---|---------------------|
| Remodel of 200 & 300 Buildings (210,220,381, 382) | \$9,234,000 |
| Remodel of Classroom Buildings (630 & 710) | \$3,839,000 |
| Replacement of Swimming Pools | \$3,126,000 |
| Tennis Courts and Lighting | \$4,853,000 |
| Remodel Gymnasium & Building 1000 | \$15,477,000 |
| Construct Maintenance and Operations Buildings | \$9,033,000 |
| Landscaping and Entry Construction | \$4,497,000 |
| Updated Security, Fire Alarms and Technology | \$2,106,000 |
| Instructional Equipment for Renovated and Remodeled Buildings | \$20,180,000 |
| Utility Replacement/Upgrade (District-wide) | <u>\$21,434,000</u> |
| | \$93,779,000 |

Phase IV

| | |
|---|---------------------|
| Overall Phase 3 Demolition; Remove Building 640, 650, 660, 1020, all 1600 buildings, 1700/1710, 1730, 1735 & Pools | \$1,625,000 |
| SanYsidro Construction of a Parking Structure | \$5,478,000 |
| Replacement of Roofing, HVAC, Electrical Systems, Plumbing and Flooring for Buildings District Wide | \$26,877,500 |
| Central Plant | <u>\$24,590,000</u> |
| | \$58,570,500 |

Phase V

| | |
|--|---------------------|
| Otay Mesa Phase II Classrooms and Labs | \$25,526,000 |
| Replacement of Roofing, HVAC, Electrical Systems, Plumbing and Flooring for Buildings District Wide | <u>\$26,877,500</u> |
| | \$52,403,500 |

| | |
|--------------|----------------------|
| TOTAL | \$388,575,000 |
|--------------|----------------------|