

Santa Clara Unified School District

Bond Financial Plan For a June 2018 Bond Election



Santa Clara
Unified School District



**Government
Financial
Strategies**

Presented by Lori Raineri
January 25, 2018

Our Agenda for Today

- ◆ Review of District's Financial Stewardship
- ◆ Updated Bond Financial Plan
- ◆ Next Steps
- ◆ Debt Portfolio
- ◆ For Reference
 - ▶ Additional Information on Financial Stewardship
 - ▶ Sufficient Bonding Capacity
 - ▶ Assessed Value
 - ▶ Additional Information Regarding General Obligation (G.O.) Bonds
 - ▶ Tax Base Demographics



I'll Try to be Brief

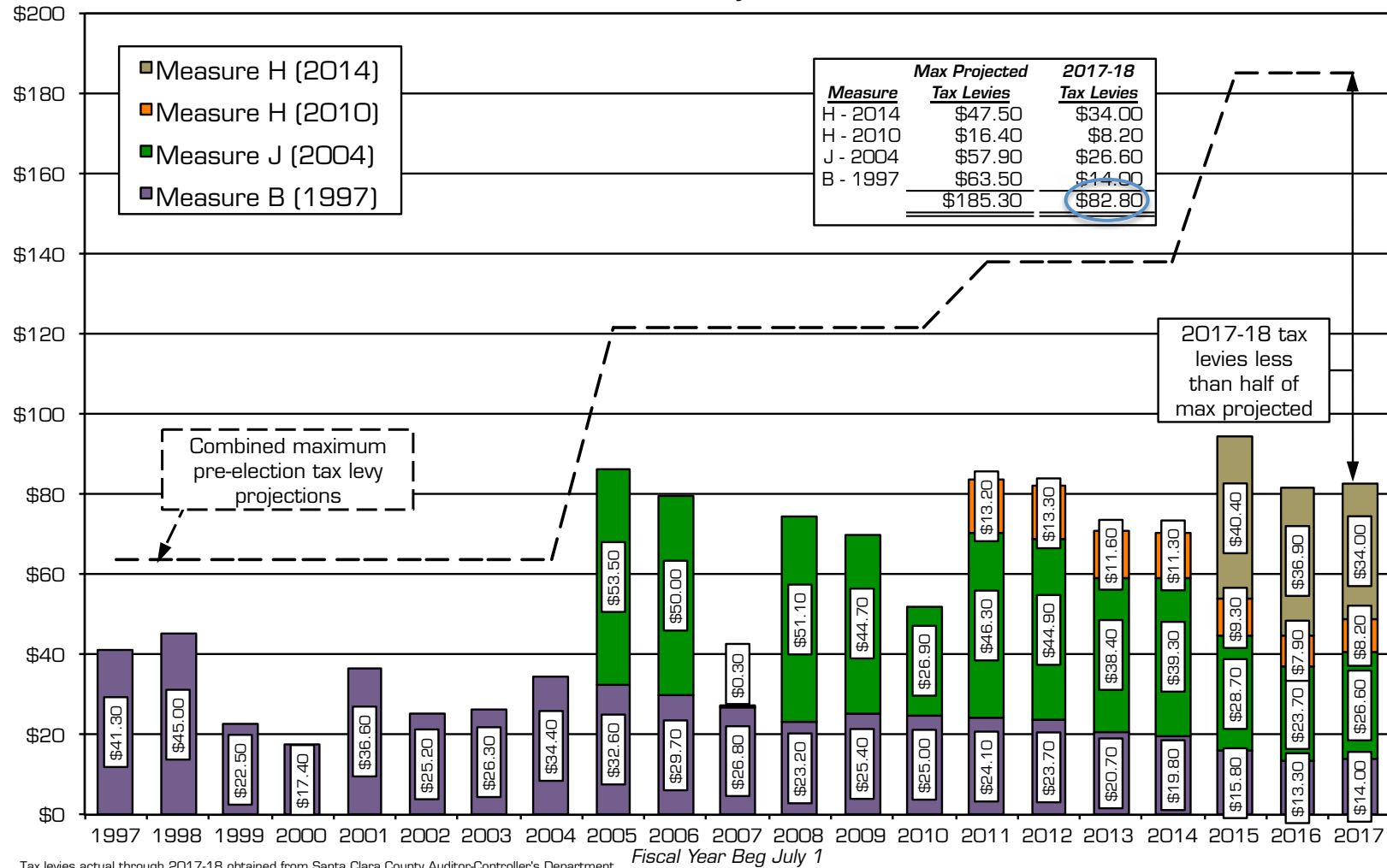


To keep meetings from running indefinitely, conference rooms at Zartech Industries were allotted only a 45-minute supply of air.

District's Stewardship → Less Taxes

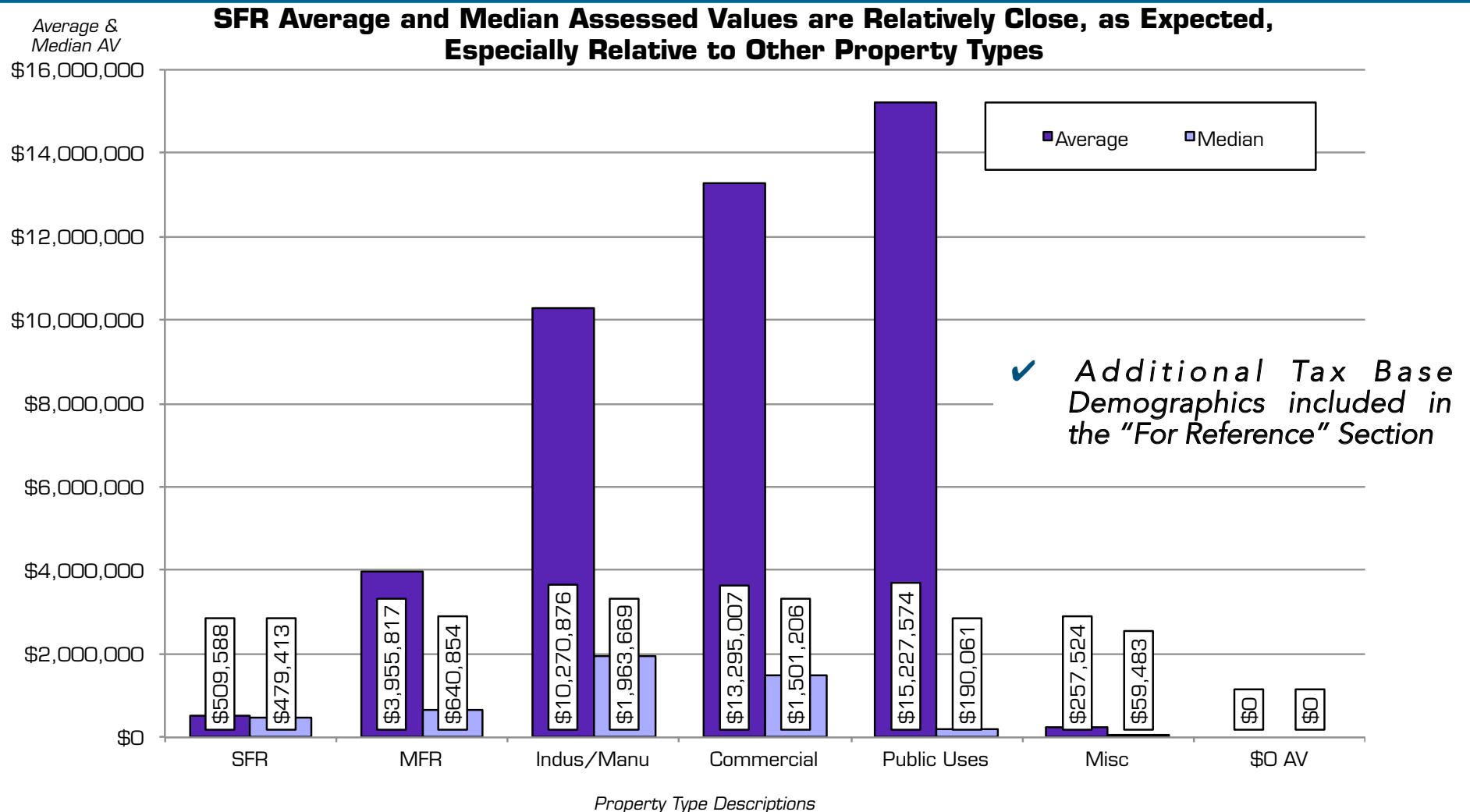
Tax Levy per
\$100,000 of AV

Actual Tax Levies Much Lower Than Maximum Projected Pre-Election Projections



Tax levies actual through 2017-18 obtained from Santa Clara County Auditor-Controller's Department.
2017-18 average single family residential assessed value is \$509,588.
2017-18 median single family residential assessed value is \$479,413.

Understanding Who Pays What



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Indus/Manu comprised of County categories: Industrial and Manufacturing; Misc comprised of Misc, Agricultural, Housing-Misc, Unknown, Utilities, & Vacant.

What It Means for the "Typical" Taxpayer

Front

County of Santa Clara
Department of Tax and Collections
For July 01, 2017 through June 30, 2018
ASSESSOR'S PARCEL NUMBER (APN): [REDACTED]

SECURED PROPERTY TAX BILL
TAX YEAR: 2017-18
For July 01, 2017 through June 30, 2018

TAX BILL INFORMATION
LAND DATE: 10/01/2017
Bill To: [REDACTED]
Bill To Address: [REDACTED]
Bill To City: [REDACTED]
Bill To State: [REDACTED]
Bill To Zip: [REDACTED]
Bill To Phone: [REDACTED]
Bill To Email: [REDACTED]

SUMMARY OF TAXES
Assessed Value of the Property: \$479,413
Less Exemptions: \$0.00
Net Assessed Value: \$479,413
Taxes Due: \$5,603.14
Less Amount Paid: \$0.00
Total Amount Due: \$5,603.14

CONTACT INFORMATION
Santa Clara County Department of Tax and Collections
1000 West San Antonio Street
San Jose, CA 95128
Phone: (408) 299-6000
Fax: (408) 299-6001
Website: www.sccgov.org

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CALCULATION OF TAXES
TAX YEAR: 2017-18
For July 01, 2017 through June 30, 2018
APN: [REDACTED]

ASSESSED VALUES	
LAND	194,565
IMPROVEMENTS	291,848
TOTAL LAND AND IMPROVEMENTS	486,413
PERSONAL PROPERTY	0
TOTAL ASSESSED VALUE	486,413
LESS HOMEOWNER'S EXEMPTION	7,000
LESS OTHER EXEMPTION	
NET ASSESSED VALUE	479,413

DETAIL OF TAXES			
TAXING AGENCY	VALUE	RATES (%)	AMOUNT
LAND, IMPROVEMENTS, PERSONAL PROPERTY			
1% MAXIMUM LEVY	479,413	1.000000	
CO BOND 2008 HOSP FAC	479,413	0.008200	
CO RETIREMENT LEVY	479,413	0.038800	
CO HOUSING BOND 2016	479,413	0.012660	
COMM COLLEGE BONDS	479,413	0.020000	
ELEM OR UNIF SCH BONDS	479,413	0.082800	
TOTAL ASSESSED VALUE TAXES		1.162460	5,572.98
LAND AND IMPROVEMENTS			
SCVWD-STATE WATER PROJ	486,413	0.006200	
TOTAL LAND & IMPROVEMENT TAXES		0.006200	30.16
ROUNDING ADJUSTMENT			0.00
TAXES DUE			\$5,603.14

PAYMENTS	
PAYMENTS APPLIED TO 1ST INSTALLMENT	0.00
PAYMENTS APPLIED TO 2ND INSTALLMENT	0.00
AMOUNT PAID	\$0.00

PARCEL TAX / SPECIAL ASSESSMENTS				
SA#	TAXING AGENCY	NAME	CONTACT	AMOUNT
*728	Santa Clara Valley Water District	SCVWD Safe, Clean Water	408-265-2600 X3041	30.74
847	Santa Clara County - Vector Control	SCC Vector Control	800-273-5167 X105	5.08
848	Santa Clara County - Vector Control	Mosquito Asmt #2	800-273-5167 X105	5.02
882	Santa Clara Valley Water District	SCVWD Flood - Central	408 630-2810	21.04
980	San Francisco Bay Restoration Authority	SFBRA Measure AA 2016	888-508-8157	12.00
990	Santa Clara Valley Open Space Authority	SCVOSA Asmt District #1	800-273-5167 X105	12.00
991	Santa Clara Valley Open Space Authority	SCVOSA Measure Q	800-273-5167 X105	24.00
PARCEL TAX/ASSESSMENTS TOTAL				\$109.88

INSTALLMENT 1	
DUE DATE	11/01/2017
DELINQUENT AFTER	12/10/2017
TAXES AND SPECIAL ASSESSMENTS	\$2,856.51
10% DELINQUENT PENALTY	0.00
DELINQUENT COST	0.00
RETURNED CHECK CHARGE	0.00
LESS AMOUNT PAID	0.00
TOTAL INSTALLMENT AMOUNT	\$2,856.51

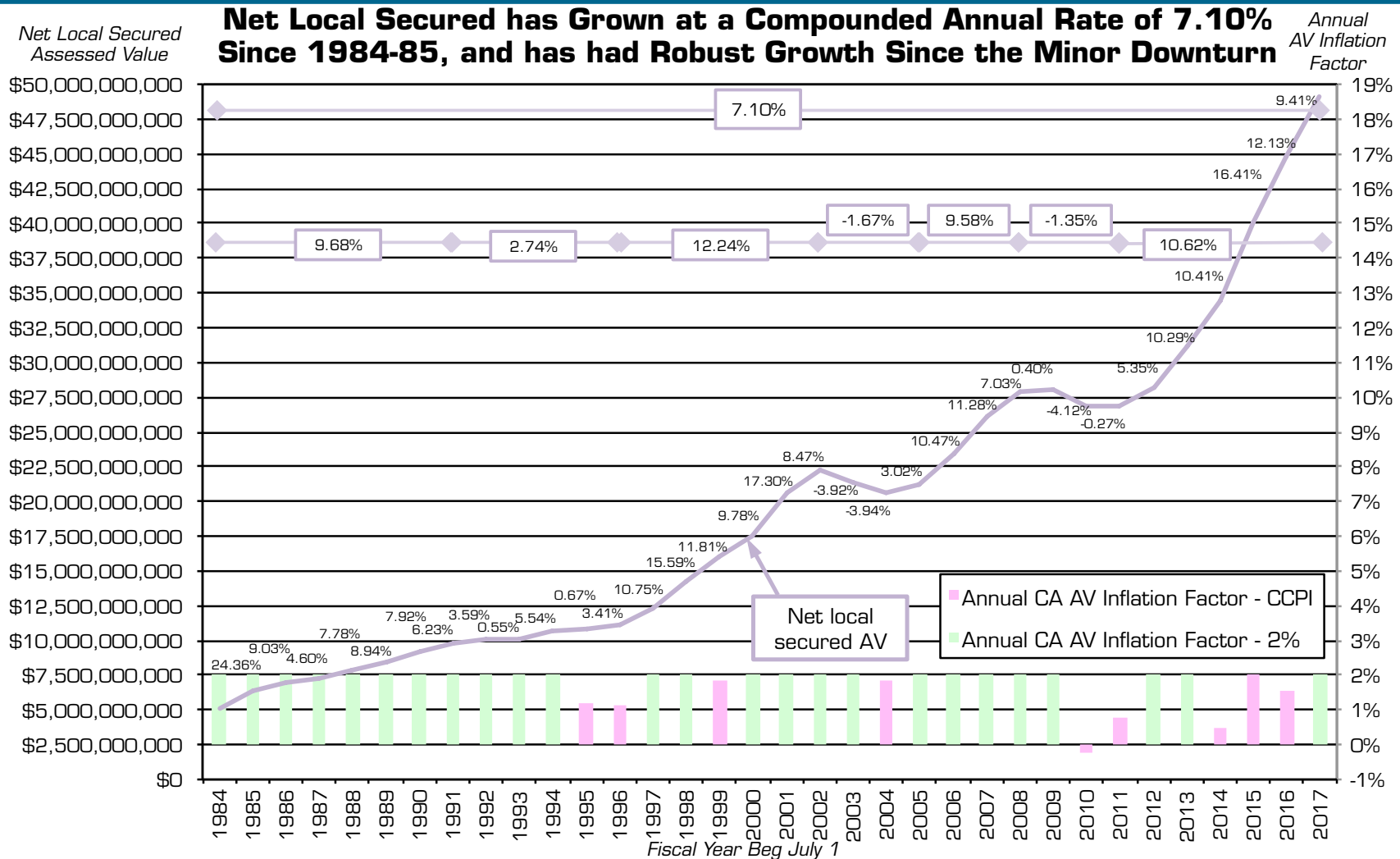
INSTALLMENT 2	
DUE DATE	02/01/2018
DELINQUENT AFTER	04/10/2018
TAXES AND SPECIAL ASSESSMENTS	\$2,856.51
10% DELINQUENT PENALTY	0.00
DELINQUENT COST	0.00
RETURNED CHECK CHARGE	0.00
LESS AMOUNT PAID	0.00
TOTAL INSTALLMENT AMOUNT	\$2,856.51

* Exemptions may be available for seniors and/or homeowners with disabilities. Contact the specific agencies above.

Payment stubs not shown

- ◆ Sample Tax Bill (for 2017-18) for approximate single family residential net assessed value of \$479,413
- ◆ Ad Valorem Taxes = \$1.16866 per \$100 of Assessed Value
- ◆ In this case, a total of:
 - \$5,603.14
 - \$109.88
 - \$5,713.02
- ◆ Voter approved taxes for the District are combined:
 - ▶ Per \$100, combined rate is \$0.0828
 - In this case, \$396.95
 - \$491.40 below pre-election projections

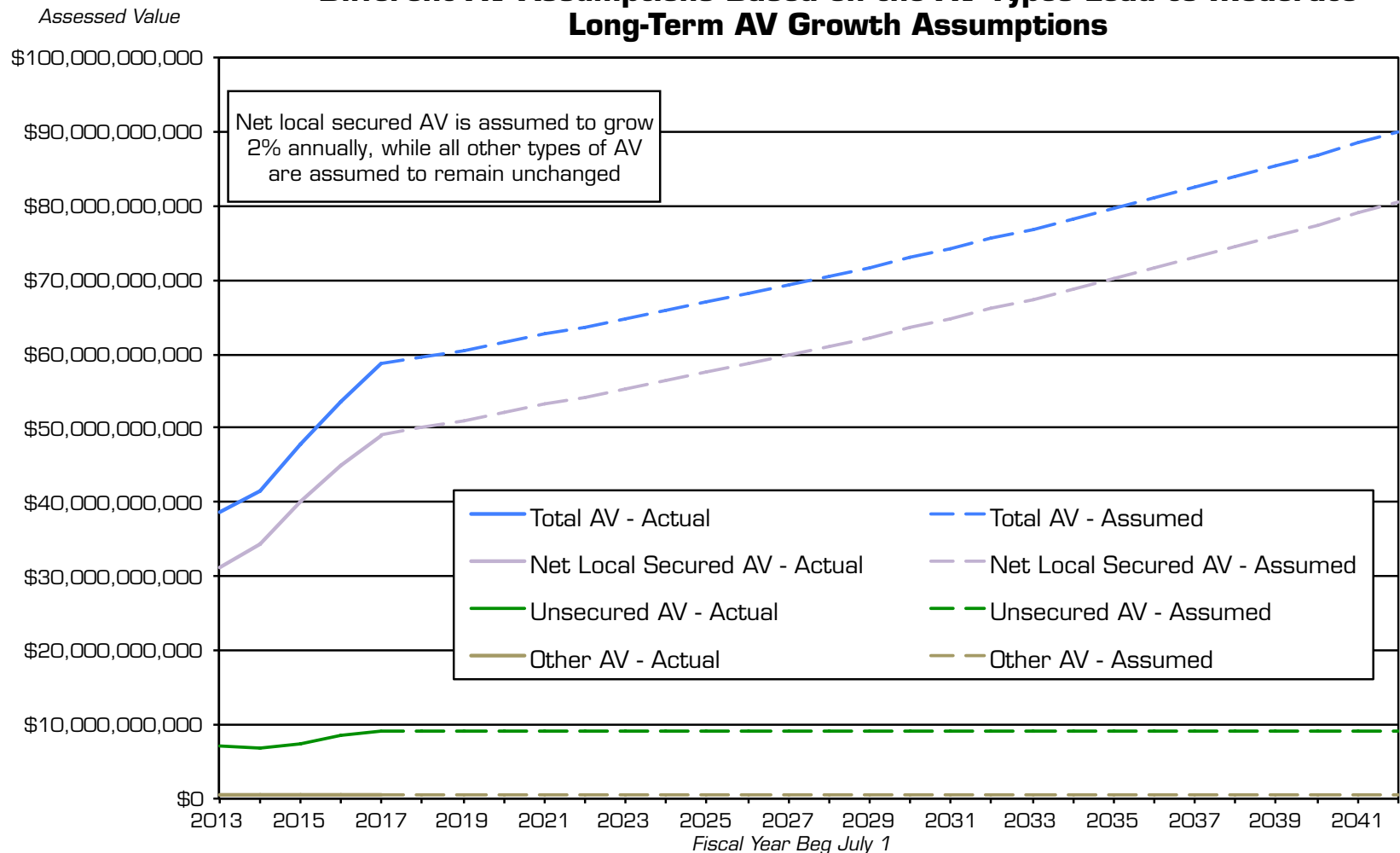
Tax Base Grew > Assumed in 2017-18



Historic assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, utility, homeowners exemption, & unsecured. Changes shown are annual changes, while ranges are compounded annual growth rates. Annual California AV inflation factor provided by California State Board of Equalization, and is the lesser of the annual change in the CA CPI or 2%.

Currently Assumed Future Assessed Value

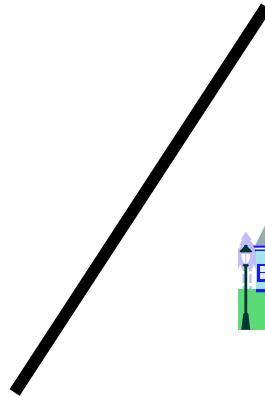
Different AV Assumptions Based on the AV Types Lead to Moderate Long-Term AV Growth Assumptions



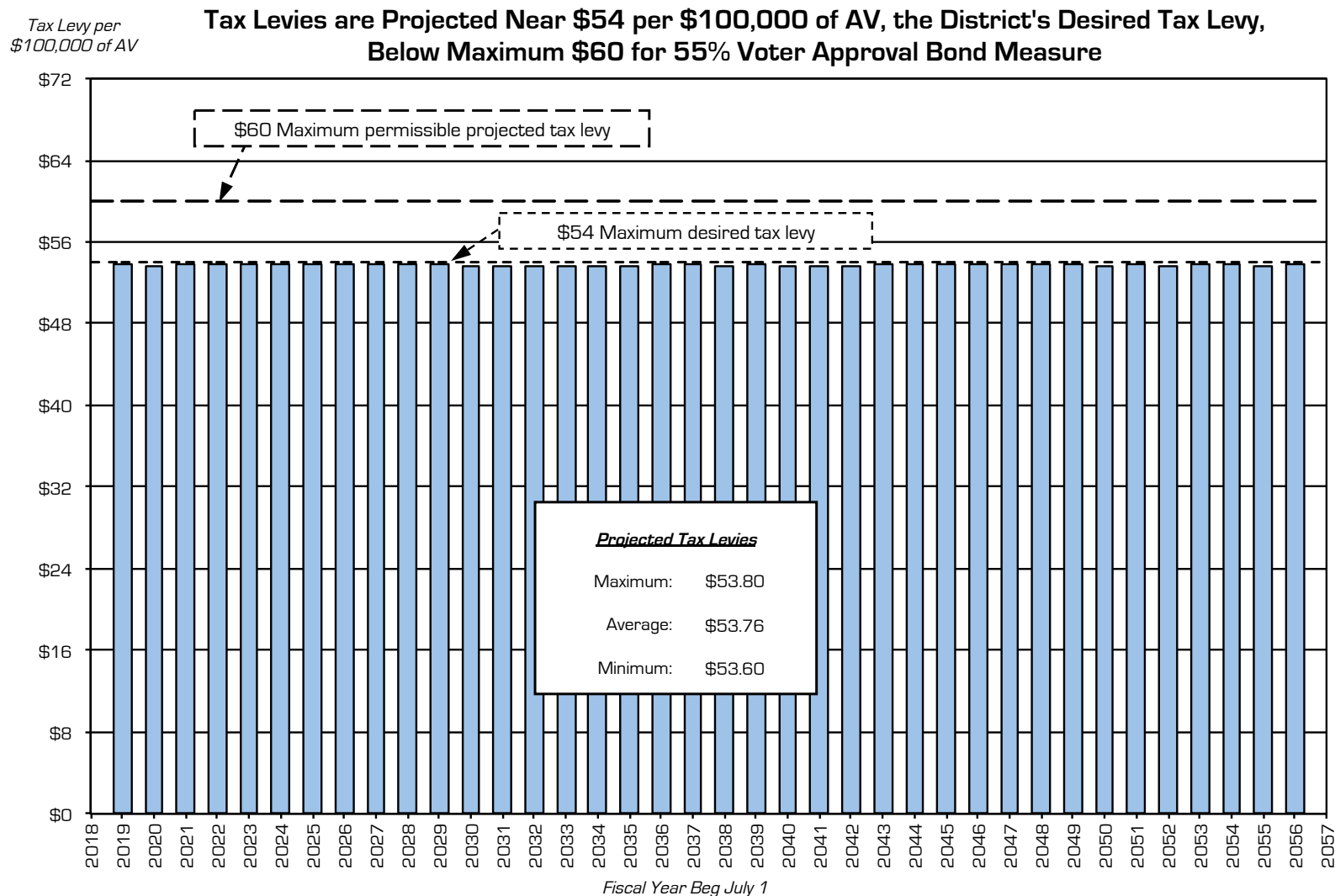
Historic assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, unsecured, & other (comprised of utility & homeowner's exemption). As homeowners exemption & unsecured components are relatively small and tend to be subject to less predictable volatility, AV growth assumptions focus only on net local secured.

G.O. Bond Tax Rates

- ◆ Bond tax rate \approx debt service \div assessed value
- ◆ Each property in the District pays its pro rata share, based on its individual assessed value (not market value)



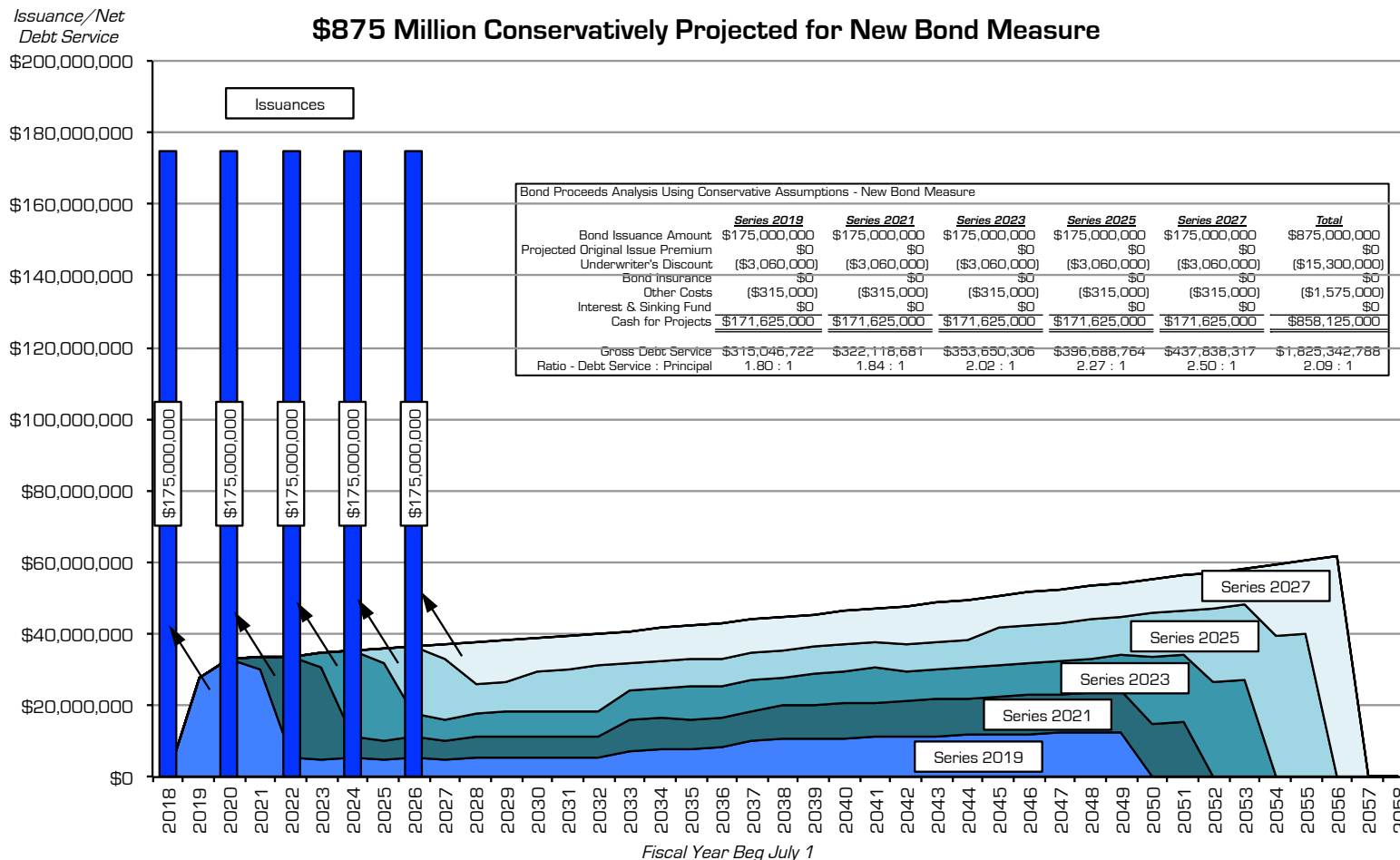
Tax Rate Below \$54 Per \$100,000 AV



Tax levies projected based on assumed debt service, AV through 2017-18 is actual, with net local secured AV assumed to grow 2% annually, while all other AV types are assumed to remain unchanged.

\$875 Mil. Nets \$858 Mil. for Projects

No capital appreciation bonds (CABS)



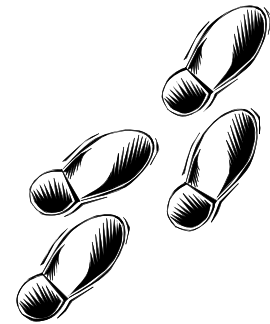
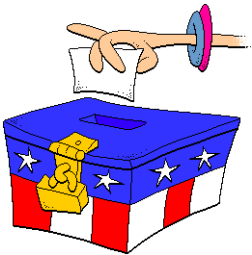
◆ For planning purposes, bond measure model assumes bonds to be sold in 5 equal series

◆ Similar to past measures, the bond plan will be updated over time to reflect the expenditure cash flow needed for projects, as well as changing market conditions

Debt service based on 2017-18 AV, & assumed 2% annual growth in net local secured, while all other AV types are assumed to remain unchanged. MMD "AAA" rates as of Jan 11, 2018, adjusted +60bp for assumed "AA" rating, plus timing adjustments for potential rate increasing prior to bond issuance of +125bp (2019) & +150bp (2021), +175bp (2023), +225bp (2025), & +250bp (2027) and +180bp for callable capital appreciation bonds. Net local secured AV is assumed to increase 2% annually, while all other AV types are assumed to remain unchanged. Net debt service assumes unitary revenue of 1.5% of debt service [1.8% average since 2006-07], additional revenue of 0.1% of debt service [0.2% average since 2006-07], additional reserve receipts of 5% of reserve [8.7% average since 2006-07], & paying agent fees of 0.02% of debt service [0.013% since 2006-07].

Next Steps for June Election

- ◆ Tonight - Board receives update on bond financial plan
- ◆ In February or early March - Board considers resolution calling for election
- ◆ After Board approval - resolution filed with Santa Clara County
 - ▶ Legal deadline – March 9
- ◆ June 5, 2018 would be election day!



One More Quick Update - Debt Portfolio

Santa Clara Unified School District General Obligation Bond Elections

General Obligation Bonds - Election of June 1997, Measure B, \$145,000,000

Series	Close Date	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Original Total Net Debt Service	Debt Service to Principal at Issuance	Principal Paid & to be Repaid as of Nov 1, 2017	Debt Service Paid & to be Paid as of Nov 1, 2017	Outstanding Principal as of Nov 1, 2017	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
1997	Aug-97	CIBs	\$50,000,000	\$0	\$50,000,000	\$85,208,085	1.70 : 1	\$19,600,000	\$42,958,090	\$0	Aug 1, 2009	n/a	n/a	\$0	n/a	n/a
2000	Jul-00	CIBs	\$49,000,000	\$0	\$49,000,000	\$86,316,644	1.76 : 1	\$16,665,000	\$36,249,375	\$0	Jul 1, 2010	n/a	n/a	\$0	n/a	n/a
2002	Jul-02	CIBs	\$46,000,000	\$0	\$46,000,000	\$79,822,356	1.74 : 1	\$11,150,000	\$26,956,465	\$0	Jul 1, 2011	n/a	n/a	\$0	n/a	n/a
2009 Rtg	Nov-09	CIBs	\$0	\$60,625,000	\$60,625,000	\$84,506,590	1.39 : 1	\$49,745,000	\$71,682,840	\$21,915,000	Jul 1, 2025	Yes	Jul 1, 2018	\$17,525,000	4.48%	0%
2010 Rtg	Nov-10	CIBs	\$0	\$34,160,000	\$34,160,000	\$49,007,956	1.43 : 1	\$34,160,000	\$49,007,956	\$23,030,000	Jul 1, 2027	Yes	Jul 1, 2019	\$19,105,000	4.81%	0%
2017 Rtg	Nov-17	CIBs	\$0	\$10,275,000	\$10,275,000	\$11,892,948	1.16 : 1	\$10,275,000	\$11,892,948	\$10,275,000	Jul 1, 2022	No	n/a	\$0	n/a	n/a

\$145,000,000

\$105,060,000

\$141,595,000

\$238,747,675

\$55,220,000

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.73 : 1
Total debt service after refinancing to new money principal: 1.65 : 1

General Obligation Bonds - Election of November 2004, Measure J, \$315,000,000

Series	Close Date	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Original Total Net Debt Service	Debt Service to Principal at Issuance	Principal Paid & to be Repaid as of Nov 1, 2017	Debt Service Paid & to be Paid as of Nov 1, 2017	Outstanding Principal as of Nov 1, 2017	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
2005	Aug-05	CIBs	\$78,860,000	\$0	\$78,860,000	\$118,829,813	1.51 : 1	\$31,515,000	\$48,695,300	\$0	Jul 1, 2013	n/a	n/a	\$0	n/a	n/a
2008	Aug-08	CIBs	\$120,000,000	\$0	\$120,000,000	\$215,036,829	1.79 : 1	\$22,445,000	\$55,082,716	\$0	Jul 1, 2016	n/a	n/a	\$0	n/a	n/a
2011A	Jul-11	CIBs	\$91,140,000	\$0	\$91,140,000	\$175,362,625	1.73 : 1	\$15,615,000	\$38,697,175	\$4,700,000	Jul 1, 2019	n/a	n/a	\$0	n/a	n/a
2011B	Jul-11	CIBs	\$25,000,000	\$0	\$25,000,000	\$25,374,375	1.73 : 1	\$25,000,000	\$26,305,680	\$25,000,000	Jul 1, 2027	No	n/a	\$0	n/a	n/a
2012 Rtg	Aug-12	CIBs	\$0	\$45,520,000	\$45,520,000	\$63,271,148	1.39 : 1	\$45,520,000	\$63,271,148	\$36,880,000	Jul 1, 2030	Yes	Jul 1, 2022	\$25,195,000	3.34%	0%
2015 Rtg	Jun-15	CIBs	\$0	\$96,380,000	\$96,380,000	\$145,053,970	1.51 : 1	\$96,380,000	\$145,053,970	\$91,995,000	Jul 1, 2033	Yes	Jul 1, 2024	\$68,015,000	4.01%	0%
2017 Rtg	Nov-17	CIBs	\$0	\$80,810,000	\$80,810,000	\$121,534,308	1.50 : 1	\$80,810,000	\$121,534,308	\$80,810,000	Jul 1, 2036	Yes	Jul 1, 2026	\$74,060,000	3.38%	0%

\$315,000,000

\$222,710,000

\$317,285,000

\$498,640,298

\$239,385,000

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.70 : 1
Total debt service after refinancing to new money principal: 1.58 : 1

General Obligation Bonds - Election of November 2010, Measure H, \$81,100,000

Series	Close Date	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Original Total Net Debt Service	Debt Service to Principal at Issuance	Principal Paid & to be Repaid as of Nov 1, 2017	Debt Service Paid & to be Paid as of Nov 1, 2017	Outstanding Principal as of Nov 1, 2017	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
2011	Jul-11	CIBs	\$81,100,000	\$0	\$81,100,000	\$139,841,836	1.72 : 1	\$15,195,000	\$34,300,336	\$6,190,000	Jul 1, 2020	n/a	n/a	\$0	n/a	n/a
2017 Rtg	Nov-17	CIBs	\$0	\$65,450,000	\$65,450,000	\$95,929,458	1.47 : 1	\$65,450,000	\$95,929,458	\$65,450,000	Jul 1, 2036	Yes	Jul 1, 2026	\$47,625,000	3.62%	0%

\$81,100,000

\$65,450,000

\$80,645,000

\$130,229,794

\$71,640,000

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.72 : 1
Total debt service after refinancing to new money principal: 1.61 : 1

General Obligation Bonds - Election of November 2014, Measure H, \$419,000,000

Series	Close Date	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Original Total Net Debt Service	Debt Service to Principal at Issuance	Principal Paid & to be Repaid as of Nov 1, 2017	Debt Service Paid & to be Paid as of Nov 1, 2017	Outstanding Principal as of Nov 1, 2017	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
2015	Jun-15	CIBs	\$140,700,000	\$0	\$140,700,000	\$215,085,662	1.53 : 1	\$140,700,000	\$215,085,662	\$109,395,000	Jul 1, 2040	Yes	Jul 1, 2024	\$99,920,000	3.94%	0%
2017	Nov-17	CIBs	\$232,300,000	\$0	\$232,300,000	\$353,555,348	1.52 : 1	\$232,300,000	\$353,555,348	\$232,300,000	Jul 1, 2042	Yes	Jul 1, 2026	\$179,030,000	3.65%	0%

\$373,000,000

\$232,300,000

\$373,000,000

\$568,641,009

\$341,695,000

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.52 : 1

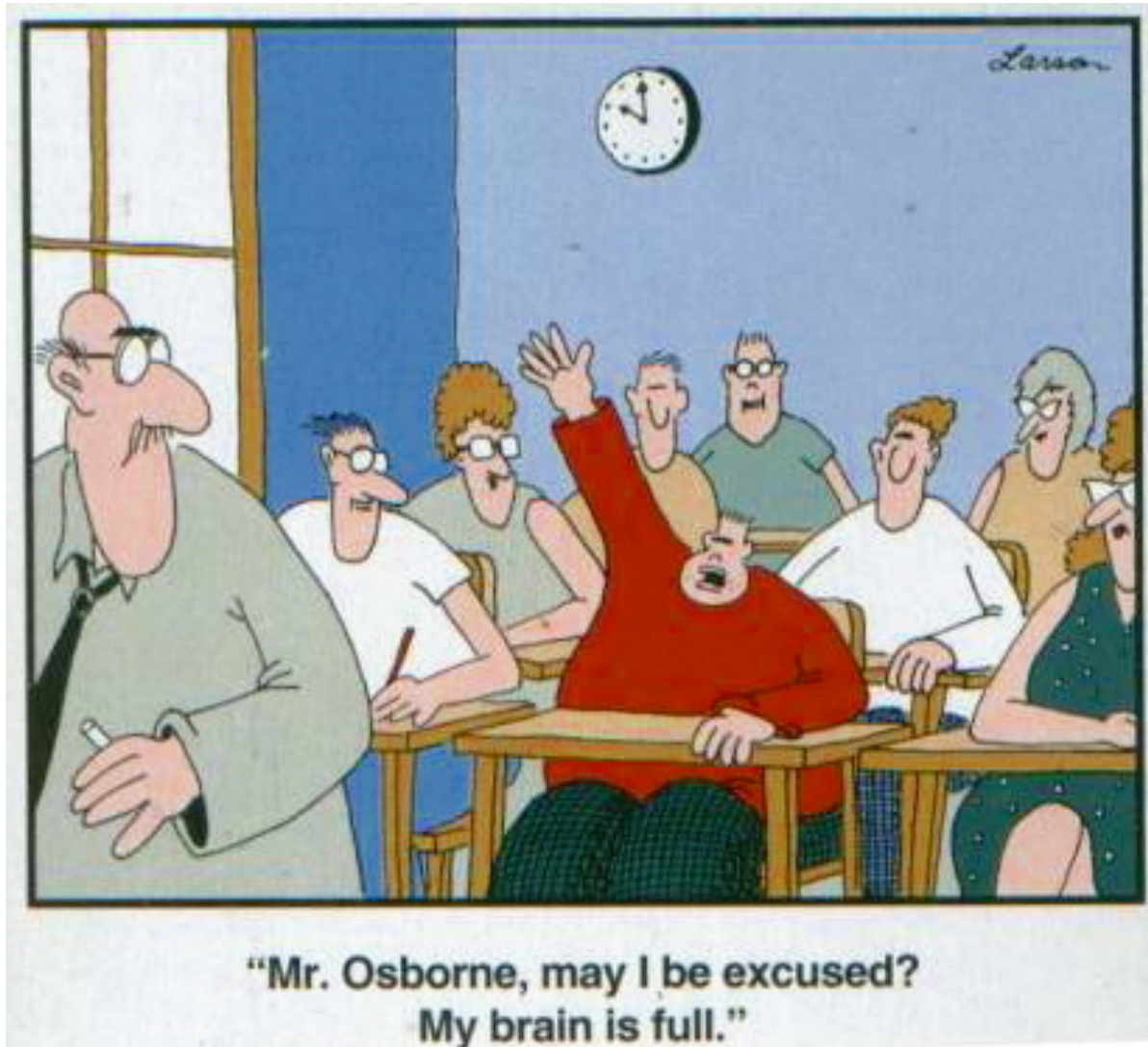
◆ As part of fiscal stewardship, our debt portfolio is continually monitored

✓ Upcoming opportunity to refinance remaining portion of Measure B 2009 Refunding Bonds

– We can be back on March 8, 2018, with more details

(1) Series 2000 (Measure B) net debt service reflects application of \$70,083 deposited to Interest & Sinking Fund;
(2) Series 2002 (Measure B) net debt service reflects application of \$3,142 deposited to Interest & Sinking Fund;
(3) Series 1997 & 2000 (Measure B) refinanced by 2009 Refunding Bonds, saving taxpayers \$7,810,673;
(4) Series 2002 (Measure B) refinanced by 2010 Refunding Bonds, saving taxpayers \$3,857,935;
(5) 2009 Refunding Bonds refinanced by 2017 Refunding Bonds, saving taxpayers \$930,802;
(6) Series 2005 (Measure J) net debt service reflects application of \$277,163 deposited to Interest & Sinking Fund;
(7) Series 2008 (Measure J) net debt service reflects application of \$747,303 deposited to Interest & Sinking Fund;
(8) Series 2011A (Measure J) net debt service reflects application of \$2,634,825 deposited to Interest & Sinking Fund;
(9) Series 2011B (Measure J) issued as direct payment Qualified School Construction Bonds (QSCBs), in which the federal government pays the interest up to a rate of 4.99%. Sequestration reduced the federal subsidy by \$931,305;
(10) Series 2005 (Measure J) refinanced by Series 2012 Refunding Bonds, saving taxpayers \$6,863,365;
(11) Series 2006 (Measure J) refinanced by Series 2015 Refunding Bonds, saving taxpayers \$14,900,479;
(12) Series 2011A refinanced by 2017 Refunding Bonds, saving taxpayers \$15,131,142;
(13) Series 2011 (Measure H - 2010) net debt service reflects application of \$1,127,701 deposited to Interest & Sinking Fund;
(14) Series 2011 (Measure H - 2010) refinanced by 2017 Refunding Bonds, saving taxpayers \$9,612,042;
(15) Series 2015 (Measure H - 2014) net debt service reflects application of \$5,821,634 deposited to Interest & Sinking Fund;
(16) Series 2017 (Measure H - 2014) net debt service reflects application of \$12,406,829 deposited to Interest & Sinking Fund.

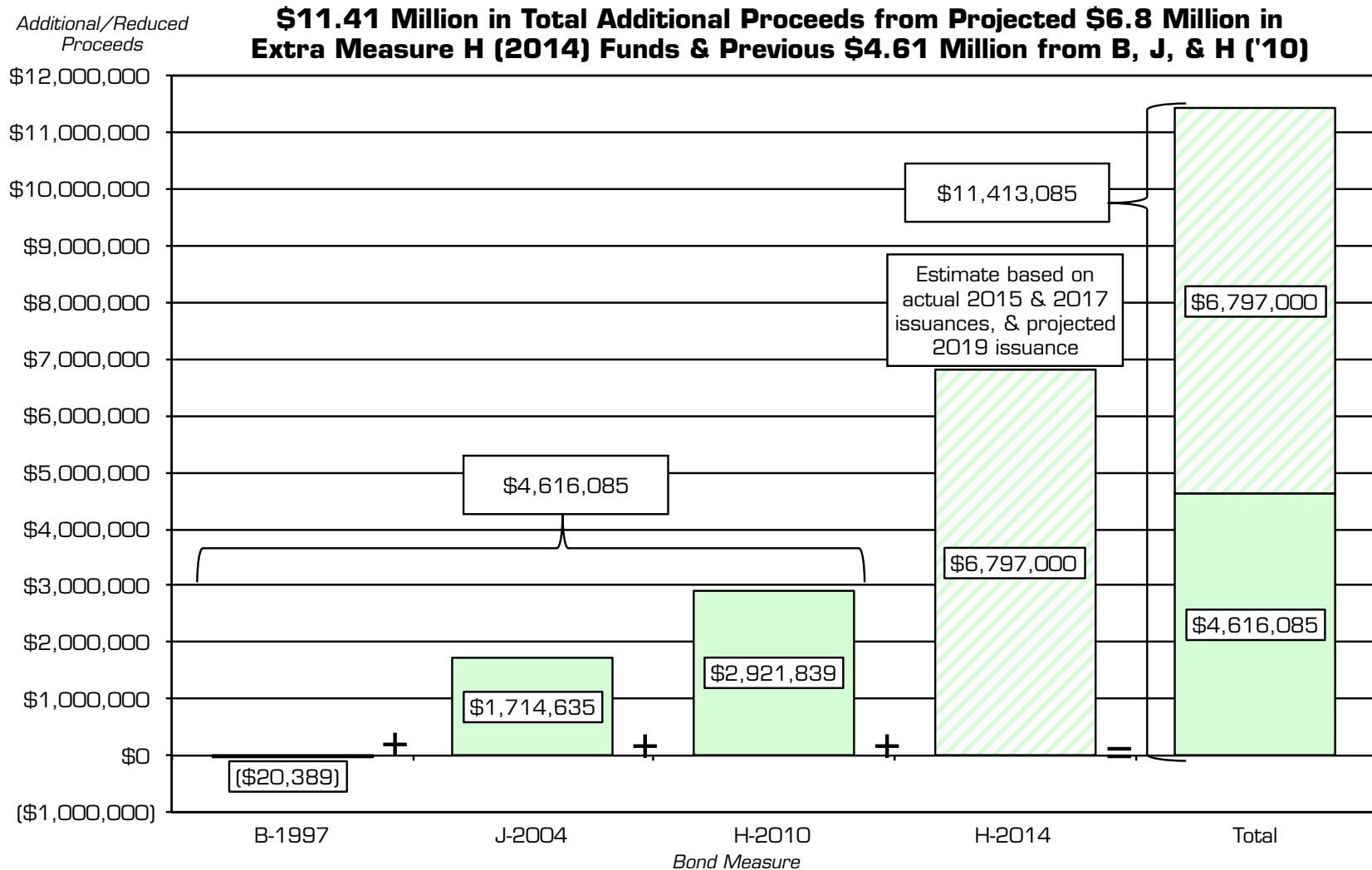
Questions or Comments?



For Reference

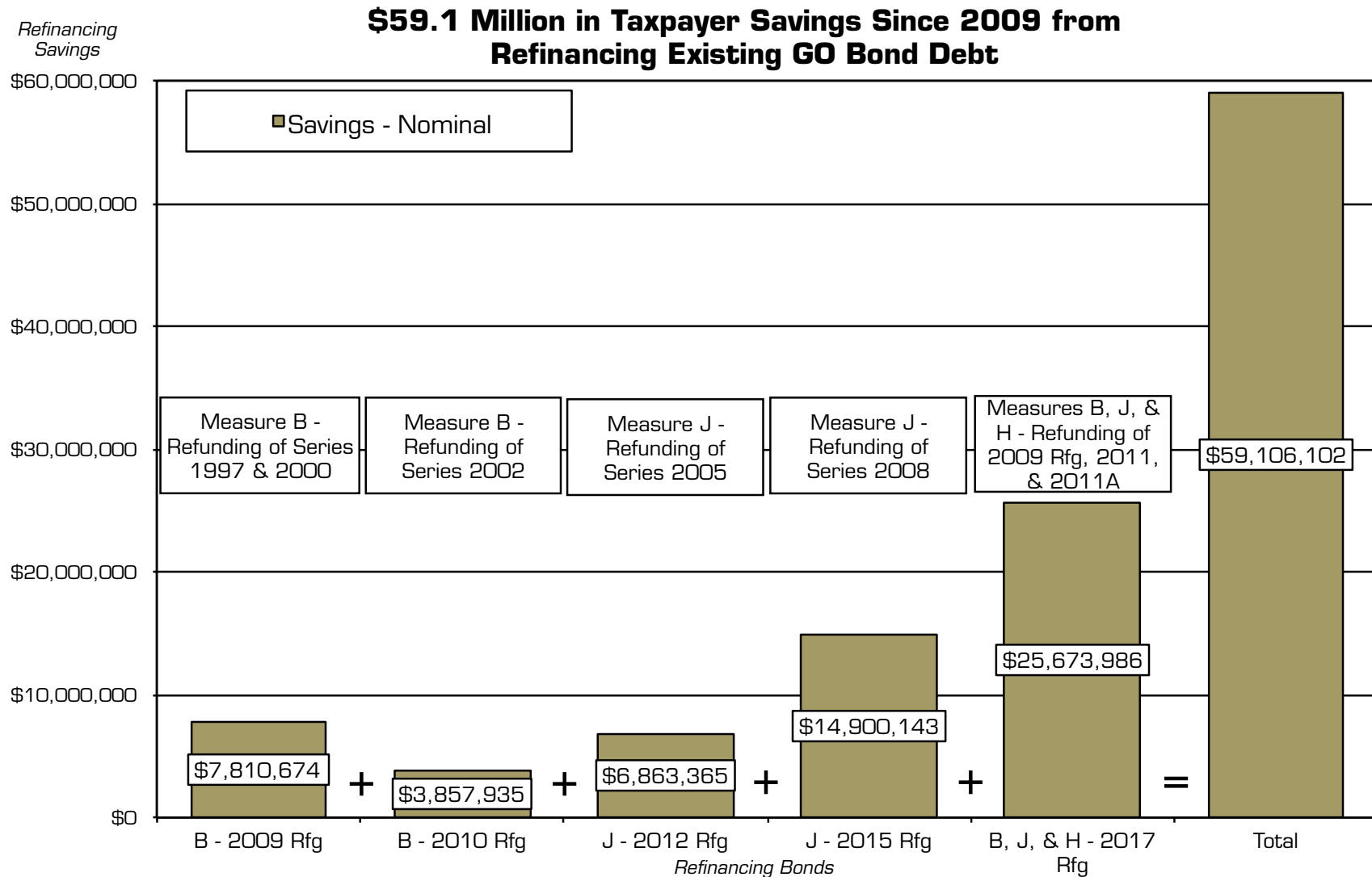
- ◆ Additional Information on Financial Stewardship
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Financial Stewardship: More Proceeds

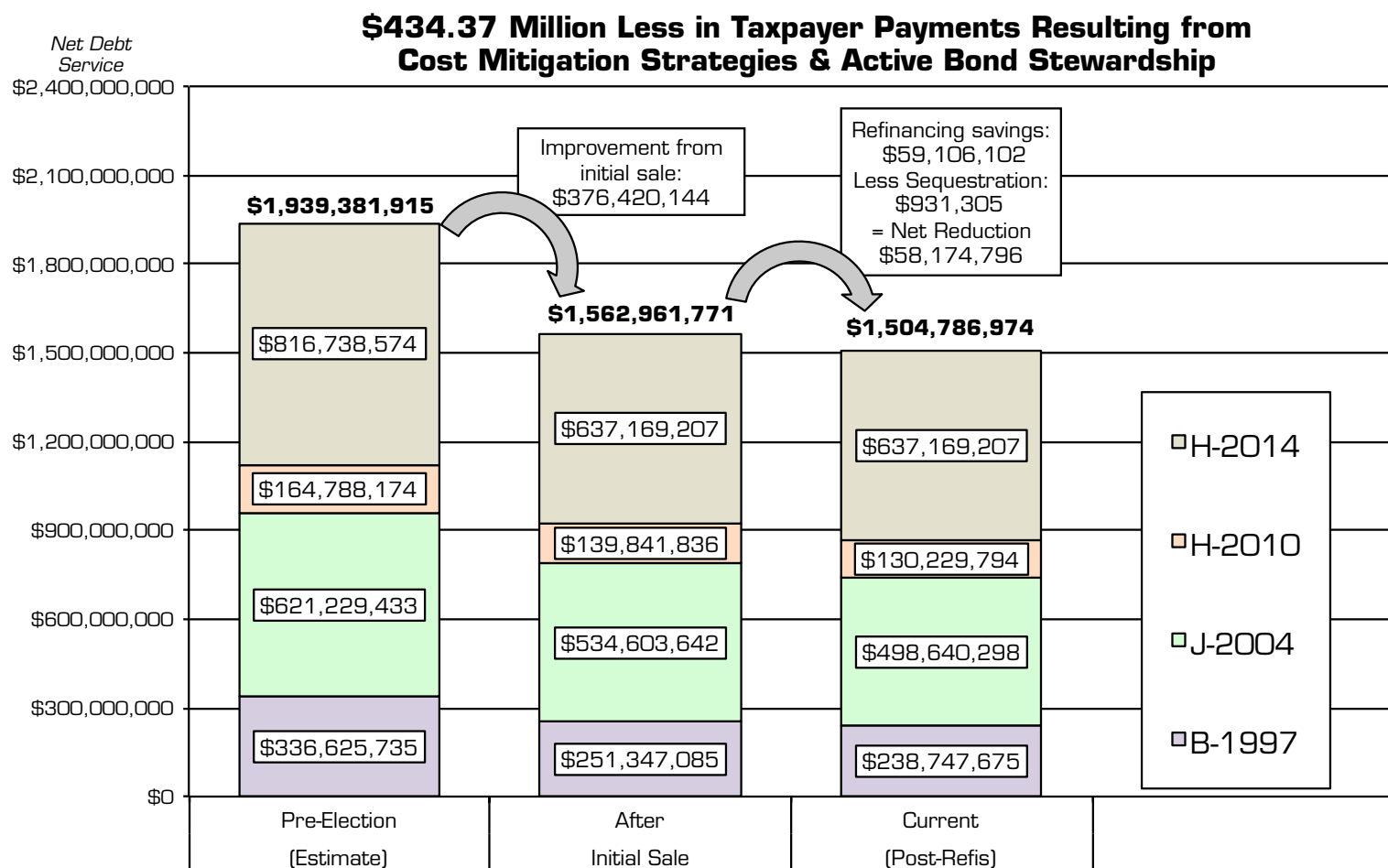


Values do not reflect interest earnings in Building Fund.

Financial Stewardship: Savings from Refis



Total Savings to Taxpayers



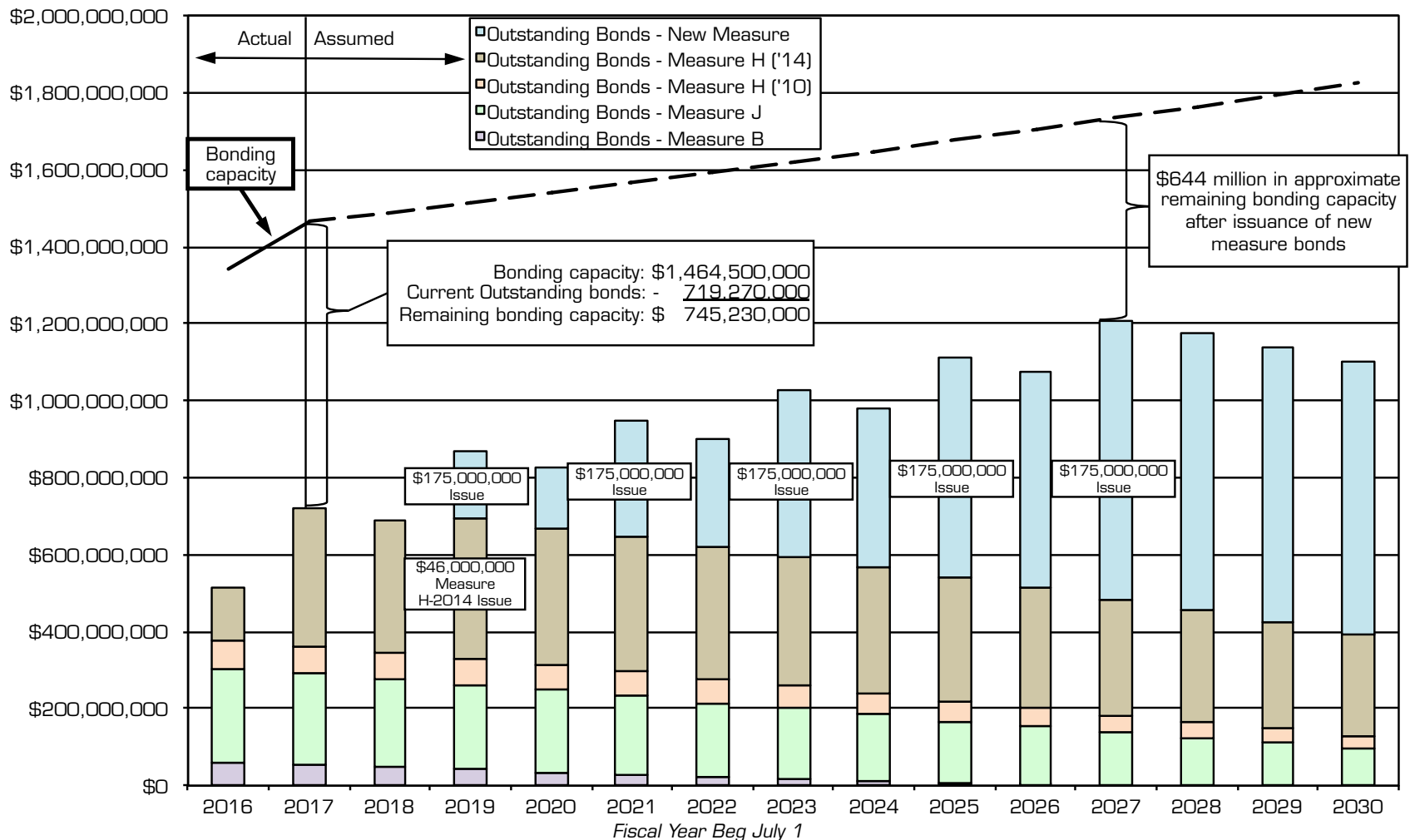
Measure B debt service reflects \$73,225 deposit to Interest & Sinking Fund (ISF) for Series 2000 & 2002; Measure J reflects \$3,759,291 deposit to ISF for Series 2005, 2008, and 2011 A, and additional \$931,305 debt service from sequestration; Measure H (2010) reflects \$1,127,701 deposit to ISF; Measure H (2014) reflects \$18,228,463 deposit to ISF. Measure H-2014 has not been refinanced. Current debt service does not take into account potential refinancing opportunities, & assumes May 2019 issuance of remaining \$46 million of Measure H-2014 authorization. Values rounded.

◆ As previously shown in a presentation to the Board on November 9, 2017, on page 20

Sufficient Bonding Capacity

Bonding Capacity/
Outstanding Bonds

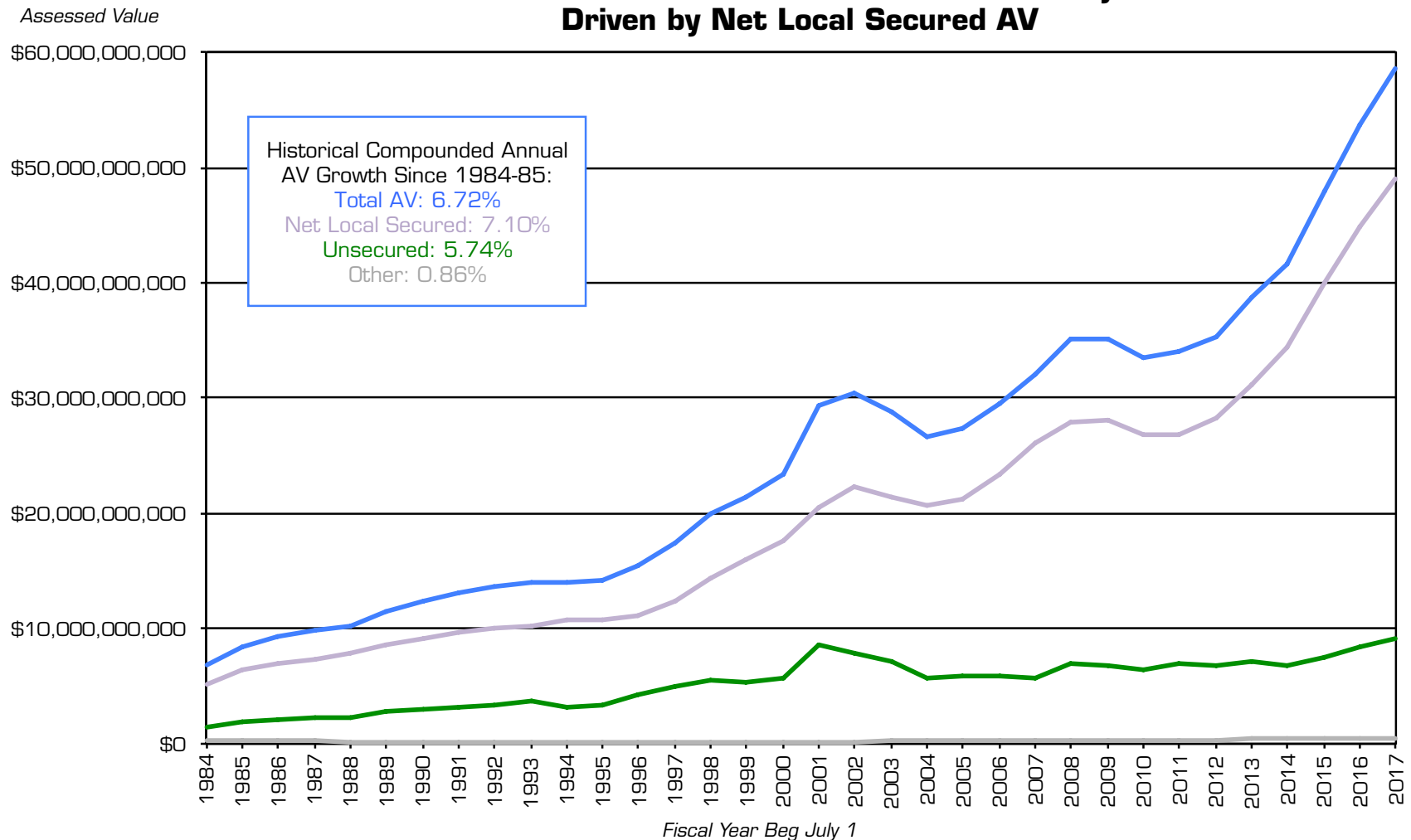
Bonding Capacity is Not a Hindrance for \$875 Million Bond Measure



Unified district's bonding capacity is 2.5% of total AV. 2017-18 AV is actual; net local secured AV assumed to grow 2% annually, while all other AV types are assumed to remain unchanged. Bonding capacity as of Aug 20 when AV becomes "equalized." Outstanding bonds from Official Statements. Values rounded.

Different Growth Rates for Different AV

Growth in District's Assessed Value has Mainly been Driven by Net Local Secured AV

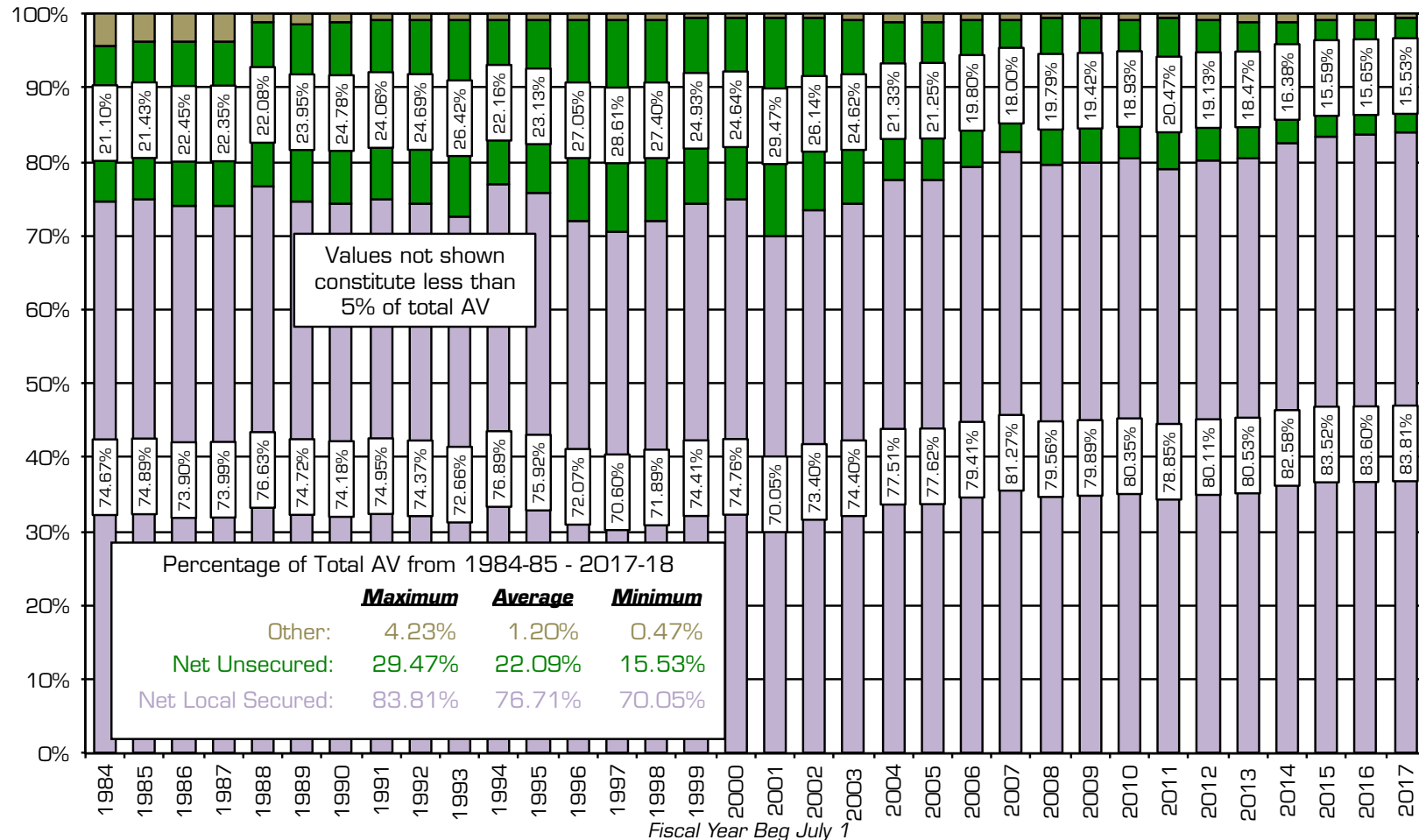


Historic assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, unsecured, & other (comprised of utility & homeowner's exemption).

Most AV is Net Local Secured

Since 1984-85, Net Local Secured AV has Become an Even Greater Component of Total AV

Assessed Value

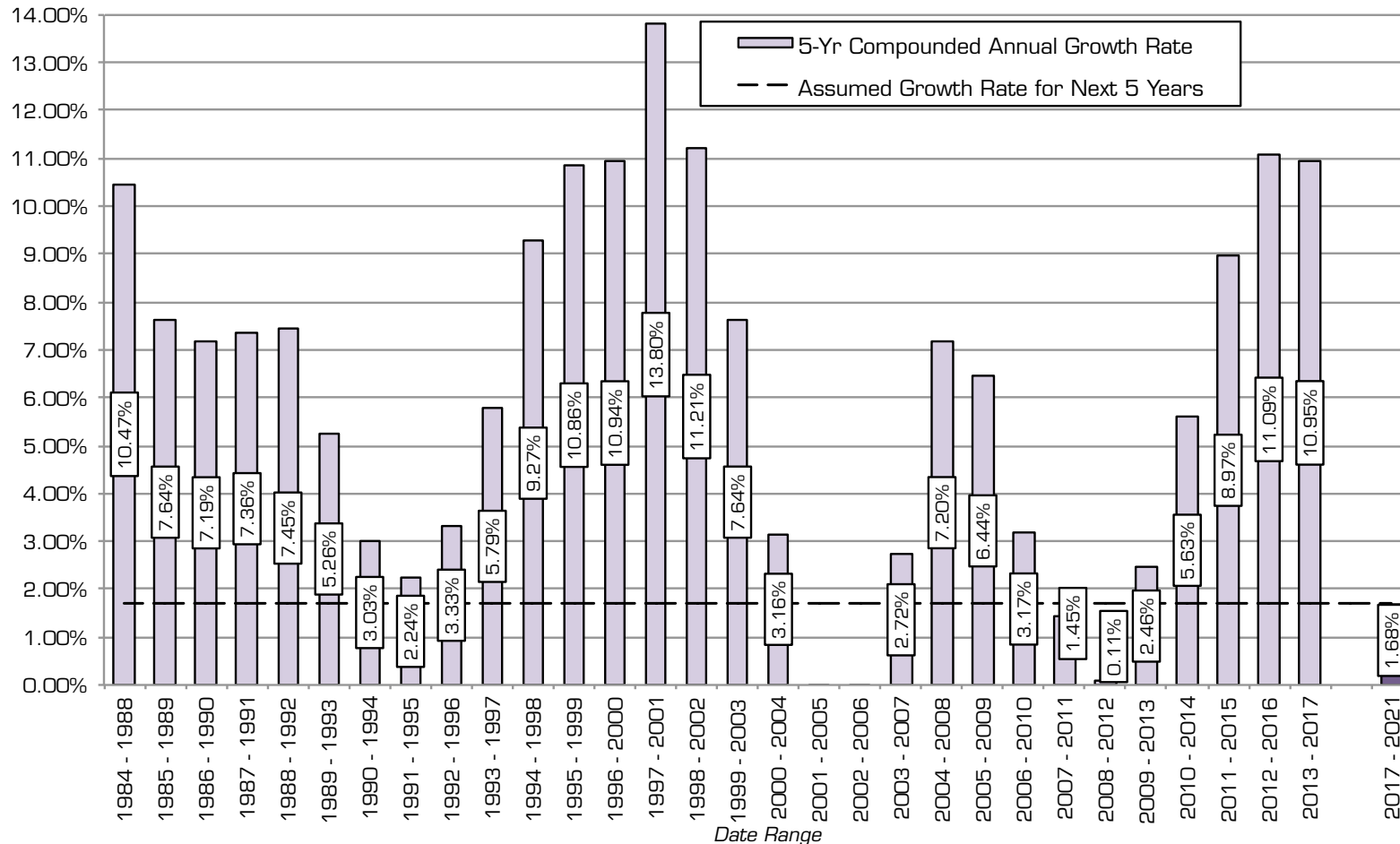


Historic assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, unsecured, & other (comprised of utility & homeowner's exemption). Changes shown are annual changes, while ranges are compounded annual growth rates.

Historical AV Analysis – 5 Year Periods

Compounded Annual
Growth Rate - Total AV

AV Assumptions Used Result in 1.68% Annual Growth Over 5 Years

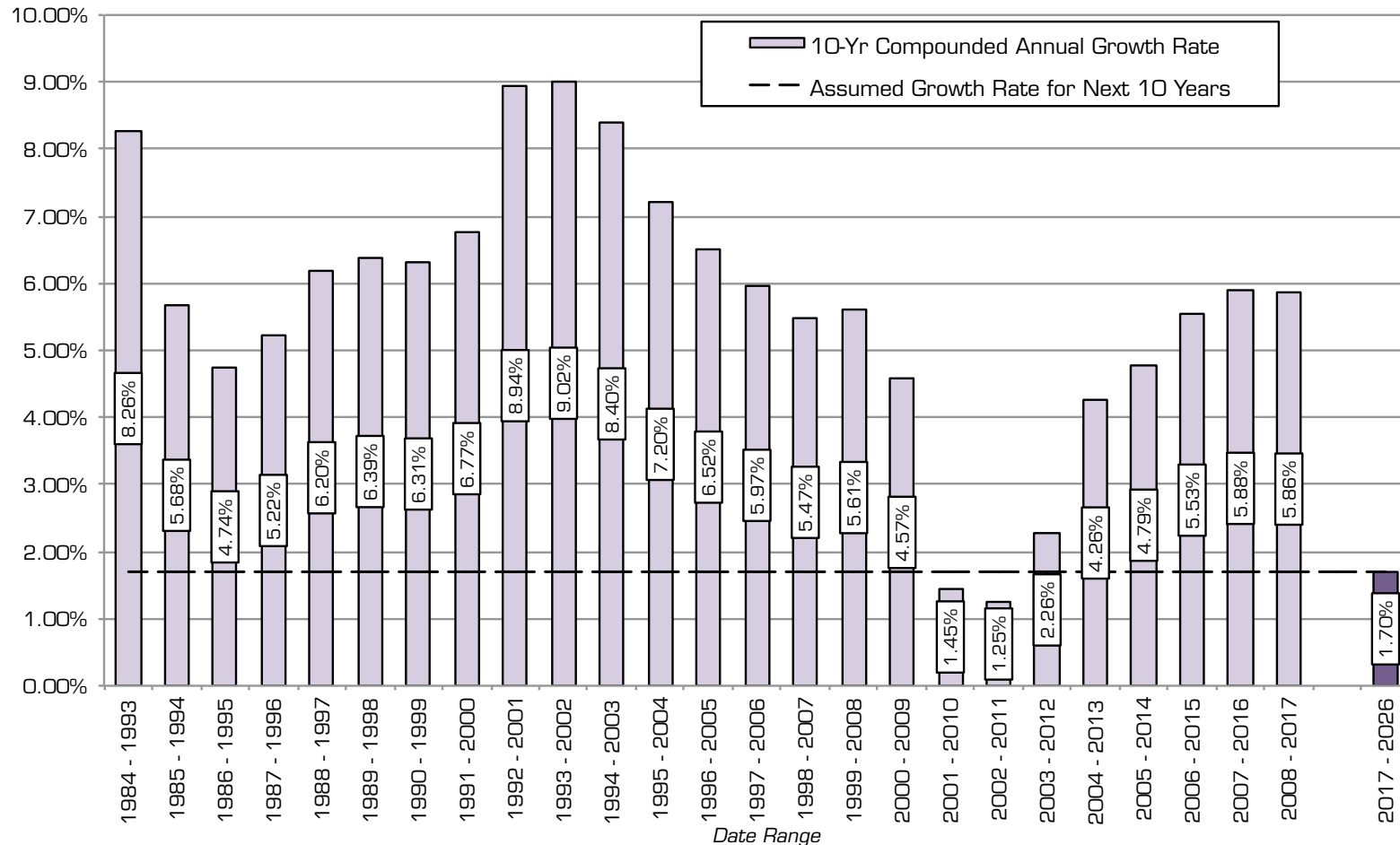


Historical data from Santa Clara Co. Auditor-Controller's office. Net local secured AV is assumed to increase 2% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis – 10 Year Periods

Compounded Annual
Growth Rate - Total AV

AV Assumptions Used Result in 1.70% Annual Growth Over 10 Years

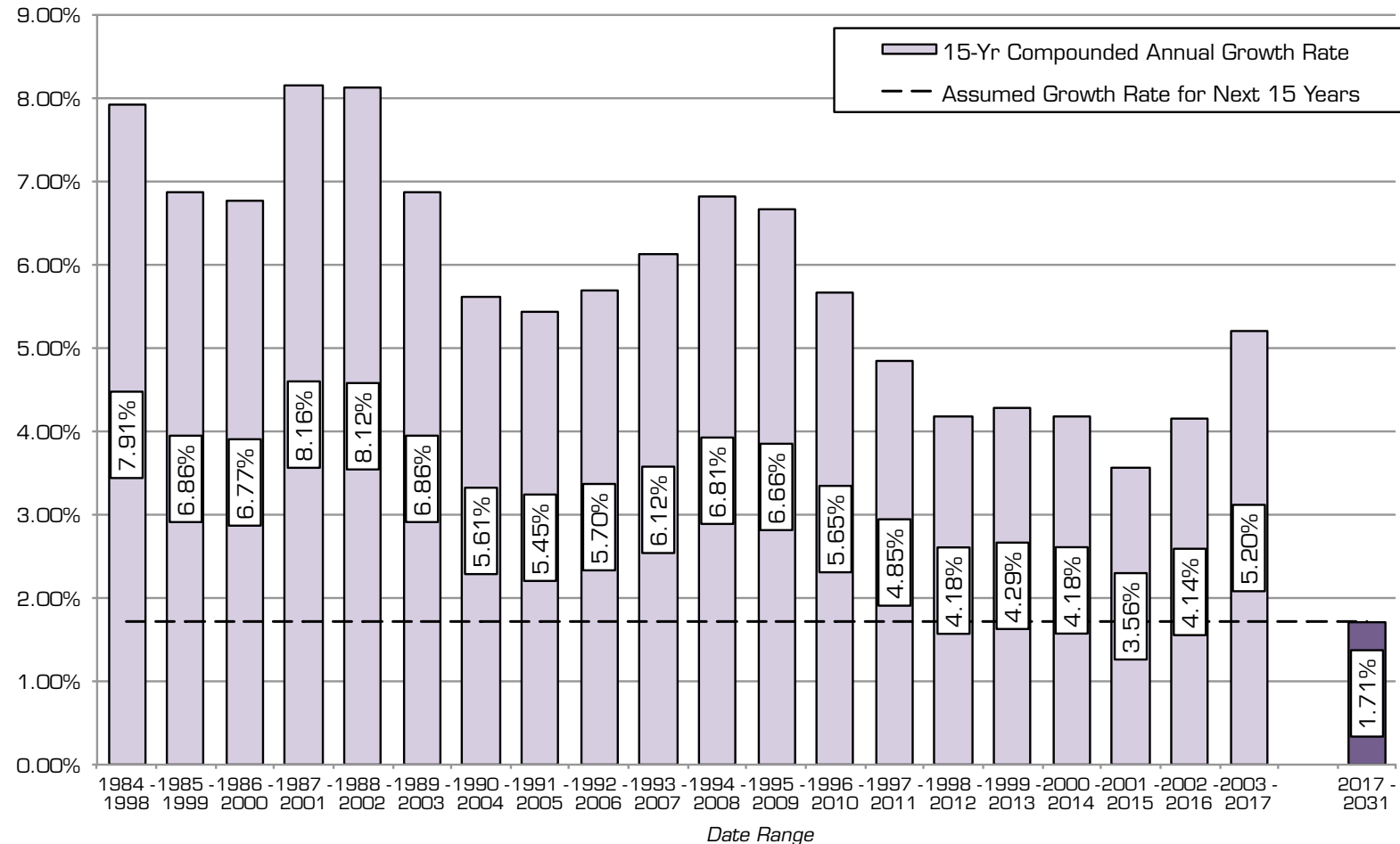


Historical data from Santa Clara Co. Auditor-Controller's office. Net local secured AV is assumed to increase 2% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis – 15 Year Periods

Compounded Annual
Growth Rate - Total AV

AV Assumptions Used Result in 1.71% Annual Growth Over 15 Years

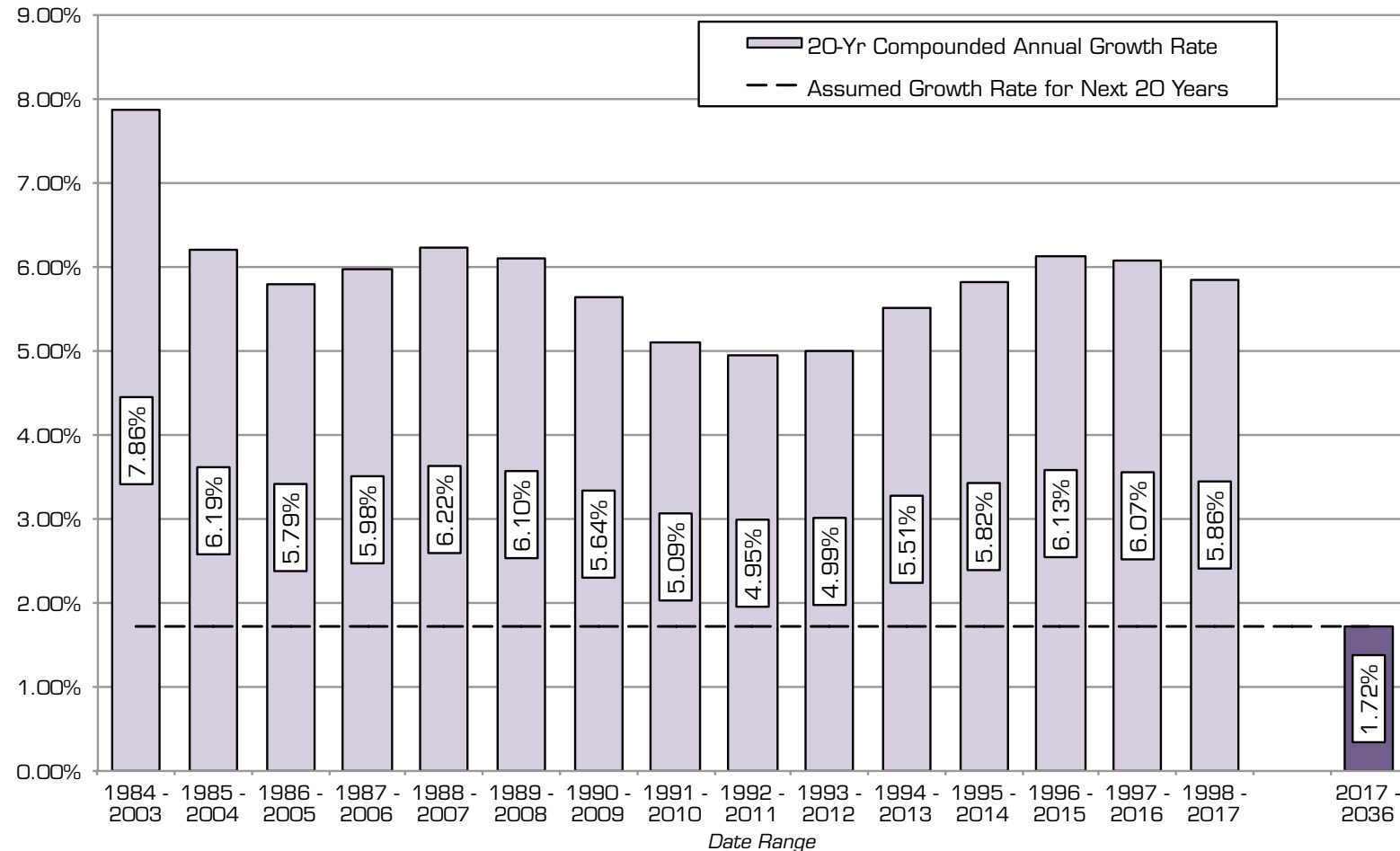


Historical data from Santa Clara Co. Auditor-Controller's office. Net local secured AV is assumed to increase 2% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis – 20 Year Periods

Compounded Annual
Growth Rate - Total AV

AV Assumptions Used Result in 1.72% Annual Growth Over 20 Years

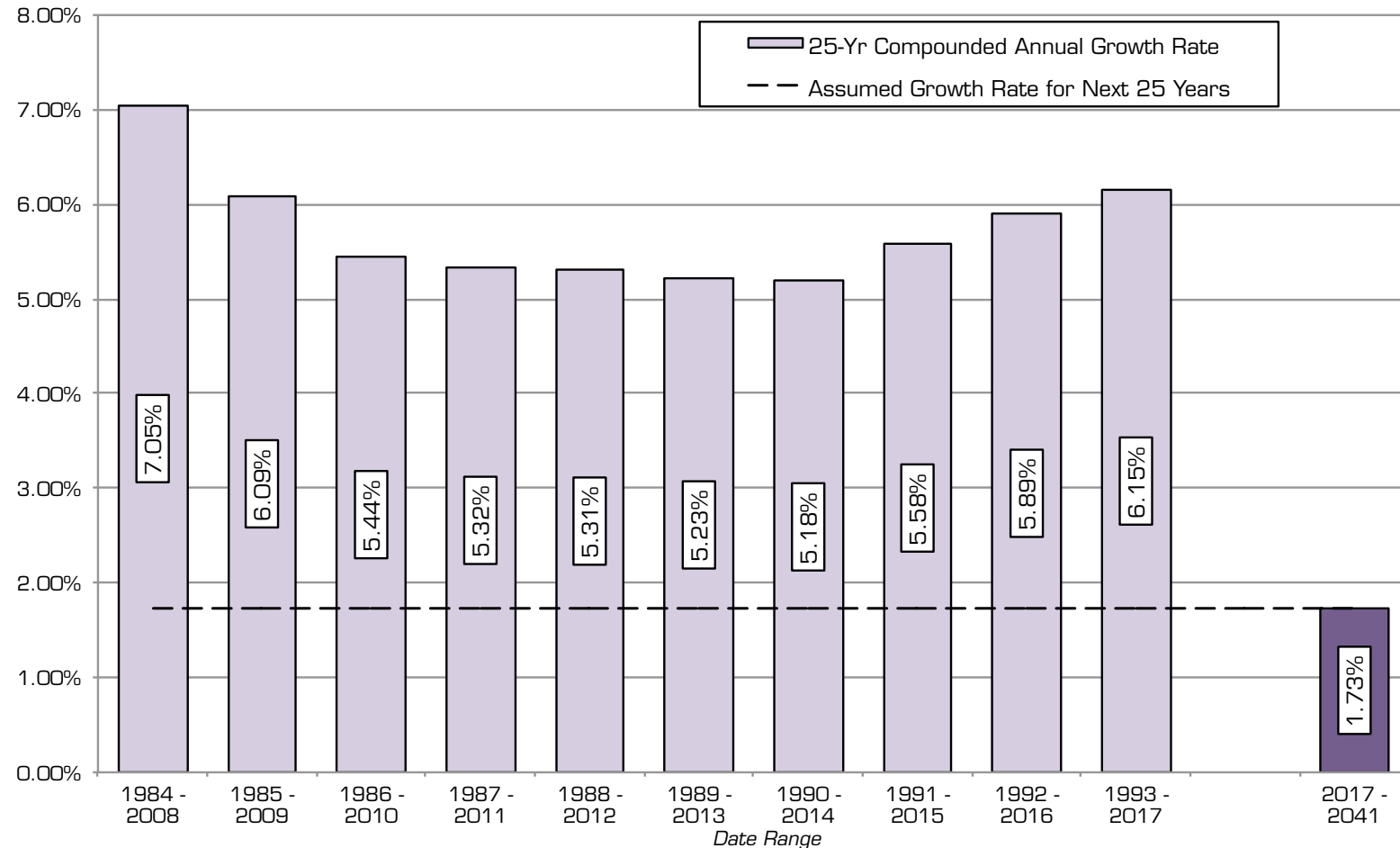


Historical data from Santa Clara Co. Auditor-Controller's office. Net local secured AV is assumed to increase 2% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis – 25 Year Periods

Compounded Annual
Growth Rate - Total AV

AV Assumptions Used Result in 1.73% Annual Growth Over 25 Years

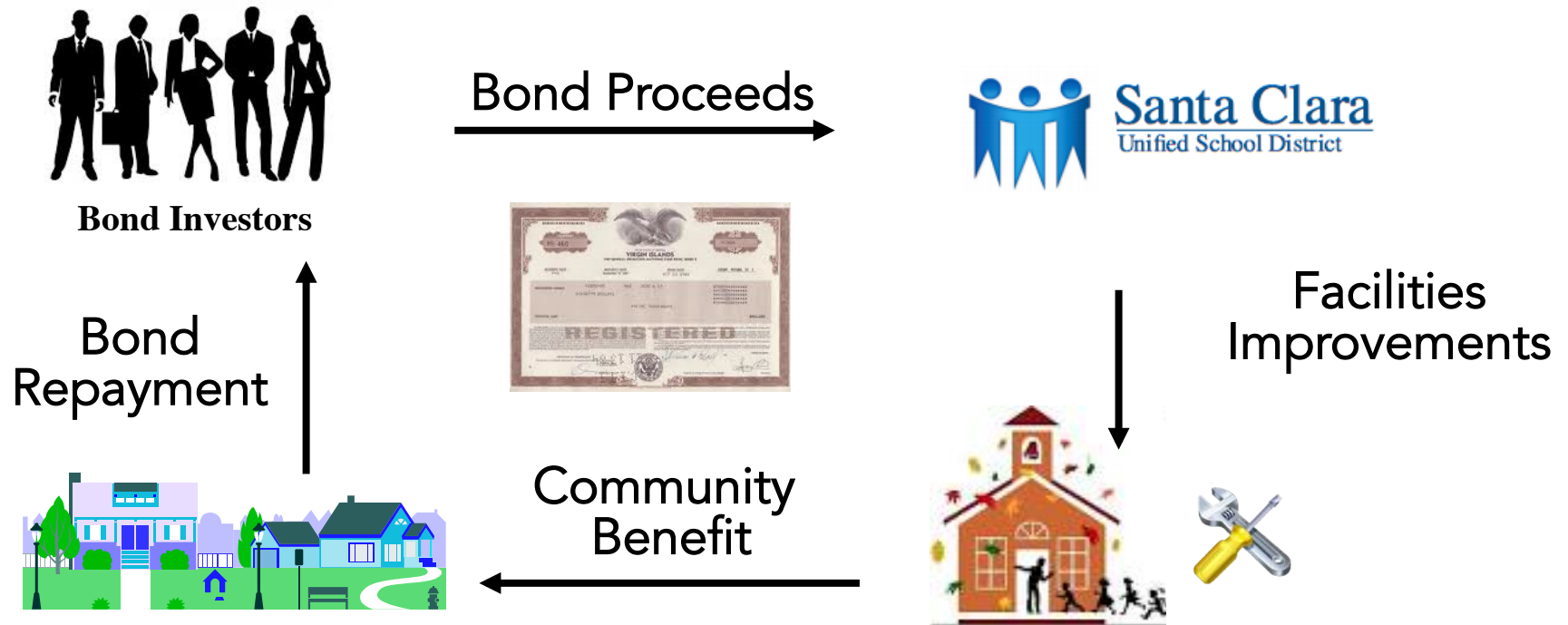


Historical data from Santa Clara Co. Auditor-Controller's office. Net local secured AV is assumed to increase 2% annually, while all other AV types are assumed to remain unchanged.

General Obligation Bonds

- ◆ Common in California since the early 20th Century
 - ▶ In 1978, Proposition 13 superseded authority
 - ▶ In 1986, restored at 2/3 voter approval level
 - ▶ In 2000, 55% voter approval measures allowed with additional accountability requirements
 - Maximum projected tax levy and specified citizens' oversight
- ◆ "Full Faith and Credit Bond" - Unlimited taxing authority
- ◆ "Ad Valorem" taxation
- ◆ Bonding capacity limited to 2.50% of AV for unified districts (1.25% of AV for union districts)
- ◆ County is responsible for ongoing administration
- ◆ No political discretion

A Bond is a Loan



- ◆ A bond is a loan. Just like a home mortgage, a general obligation bond allows the taxpayers to buy and receive the benefit of the facilities now, and pay for them over time.

Development of Bond Financing Plan

◆ Elements of Plan

▶ Tax Base Analysis

- Historical and projected assessed value

▶ Bonding capacity (maximum bonds outstanding)

▶ Taxing capacity (maximum projected tax levy)

▶ Interest rate assumptions

▶ Facilities funding cash flow needs

▶ 3-year Expenditure Reasonable Expectations Test

✓ *Are assumptions justified and reasonable?*



✓ *Sound pre-election bond financial planning maximizes chances of successful post-election bond issuance*

Key Financial Constraints

◆ Bonding Capacity: limit on amount of outstanding bonds
(this is for all bond measures combined)

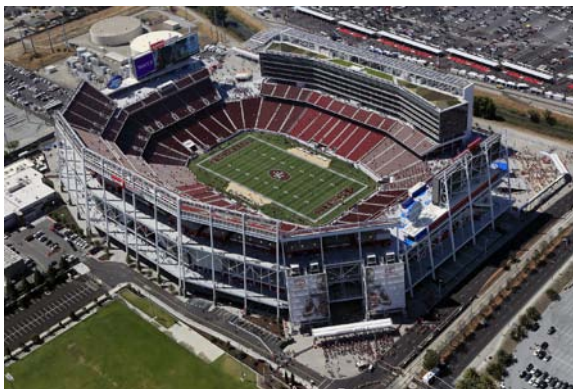
- ▶ 1.25% of total assessed value for union districts
 - Education Code 15268
- ▶ 2.50% of total assessed value for unified districts
 - Education Code 15270(a) ✓



◆ Taxing Capacity: limit on maximum projected tax levies
(this is for 55% voter approval bond measures only)

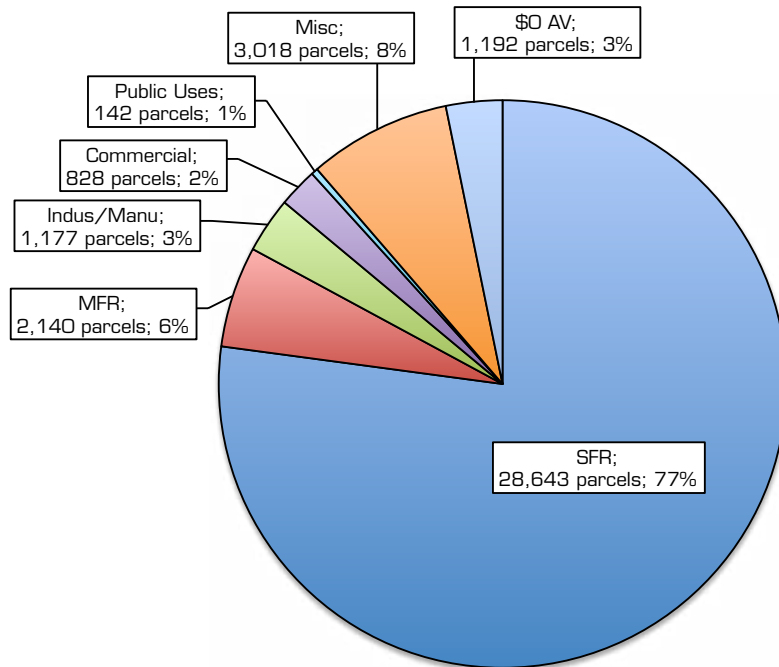
- ▶ \$30 per \$100,000 of assessed value for union districts
 - Education Code 15268
- ▶ \$60 per \$100,000 of assessed value for unified districts
 - Education Code 15270(a) ✓

How Taxpayers Are Affected by Bonds: Tax Base Demographics



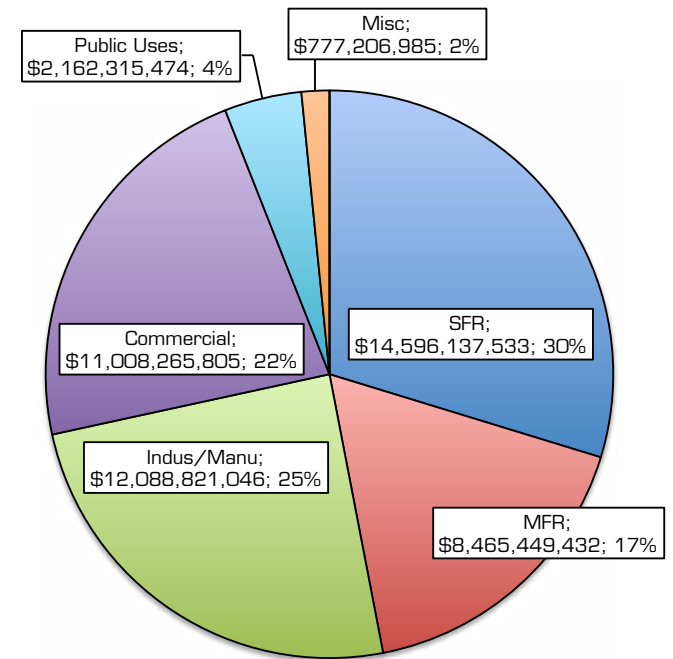
SFR Are 77% of Total Parcels, but Only 30% of Total AV

77% of District Parcels are SFR



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

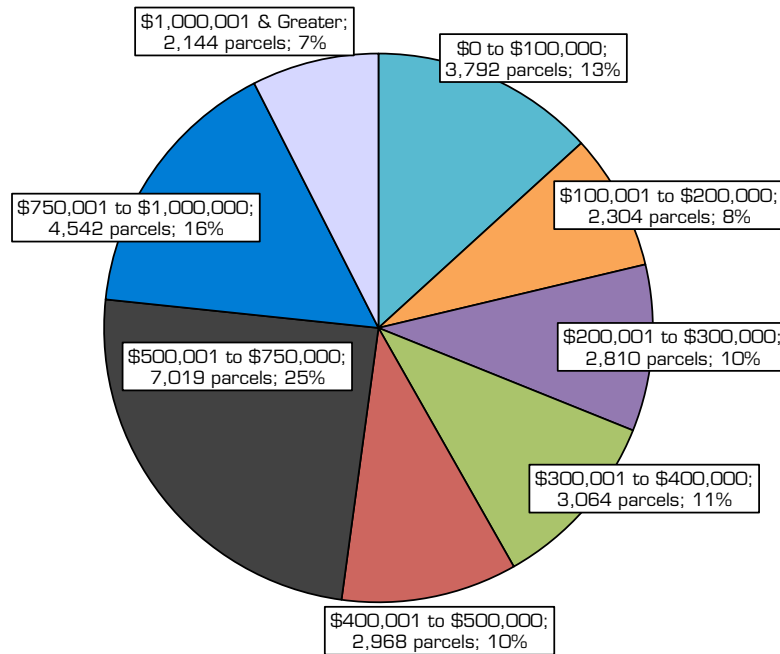
30% of AV in District is SFR



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

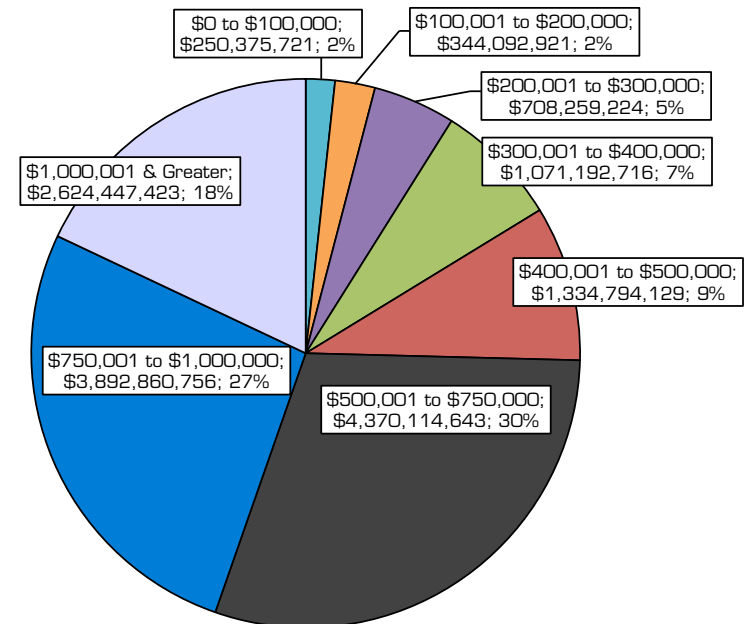
52% of SFR Parcels Assessed \leq \$500k and Comprise Only 25% of SFR Total AV

52% of Single Family Residential Parcels have an AV of \$500,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

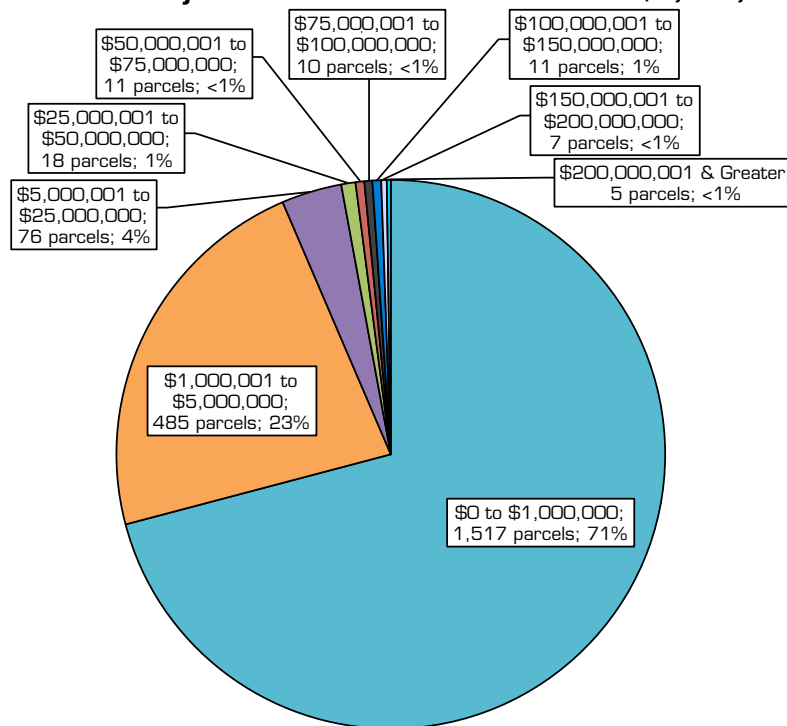
25% of Single Family Residential AV is from Parcels with an AV of \$500,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

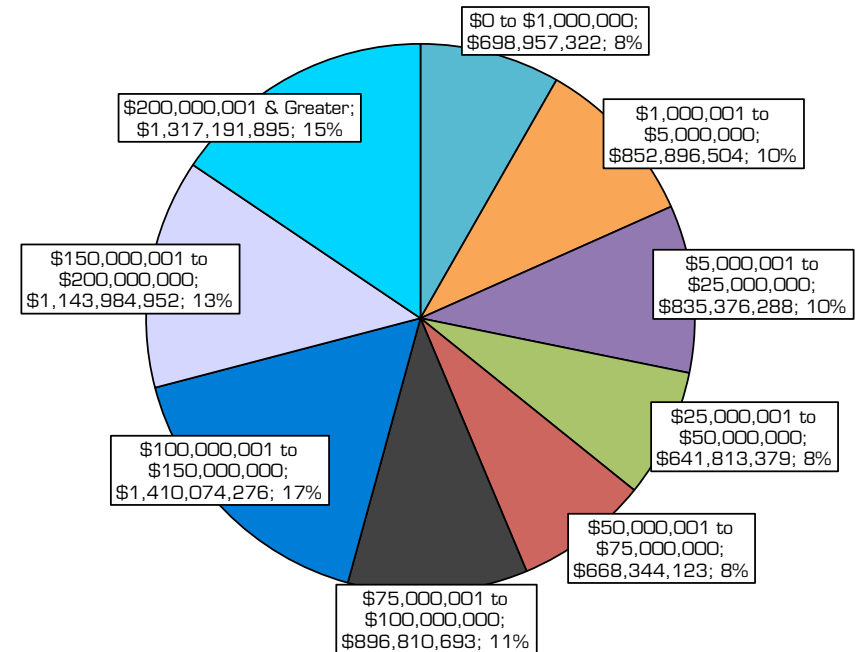
71% of MFR Parcels Pay 8% of MFR Taxes

71% of Multi-Family Residential Parcels have an AV of \$1,000,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

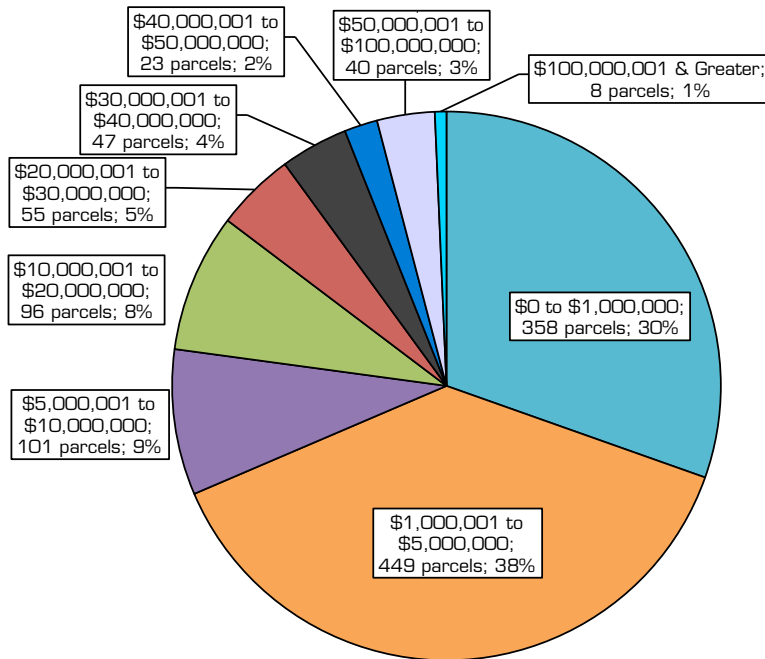
8% of Multi-Family Residential AV is from Parcels with an AV of \$1,000,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

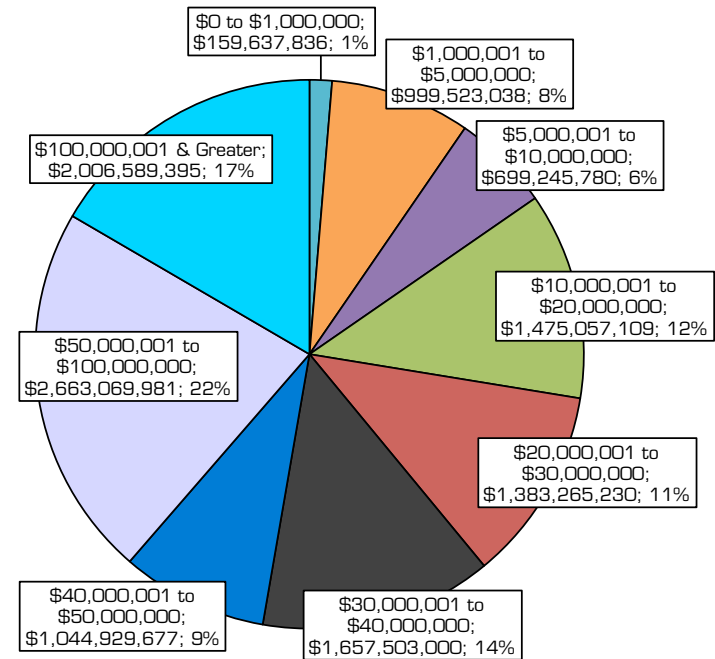
Majority of Industrial Taxes Paid by Minority of Industrial Parcels

68% of Industrial/Manufacturing Parcels have an AV of \$5,000,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Indus./Manu comprised of County categories: Industrial and Manufacturing. Percentages rounded.

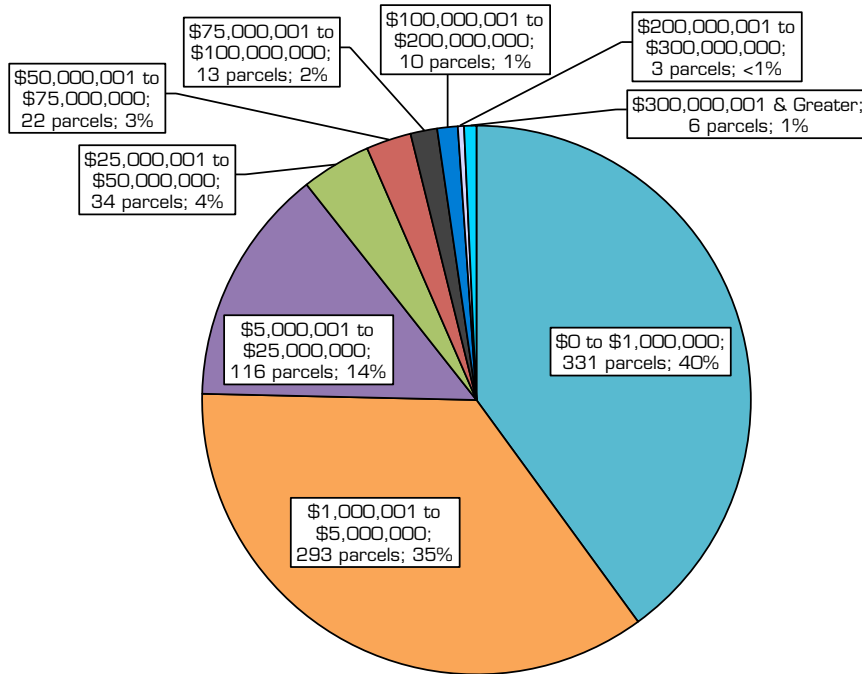
9% of Industrial/Manufacturing AV is from Parcels with an AV of \$5,000,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Indus./Manu comprised of County categories: Industrial and Manufacturing. Percentages rounded.

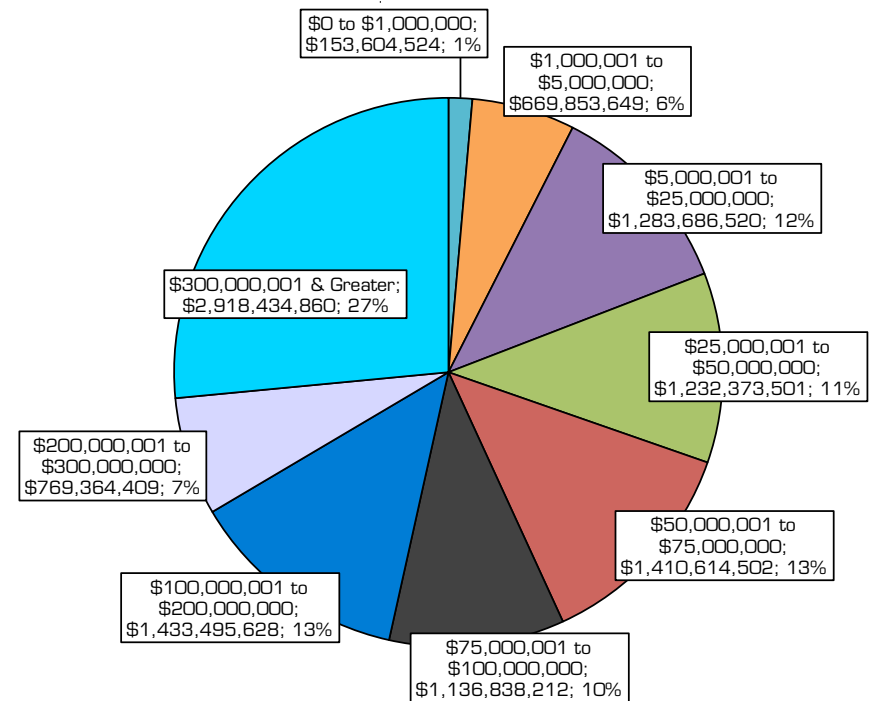
...Same for Commercial Parcels

75% of Commercial Parcels have an AV of \$5,000,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

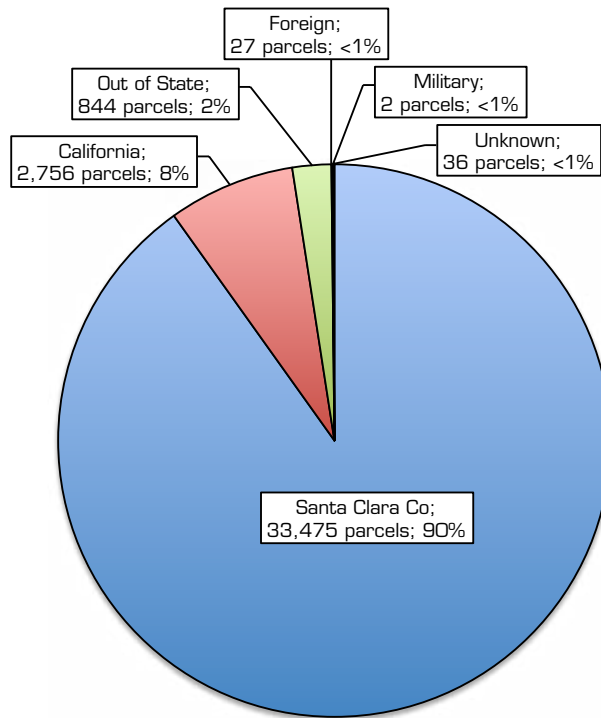
7% of Commercial AV is from Parcels with an AV of \$5,000,000 or Less



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

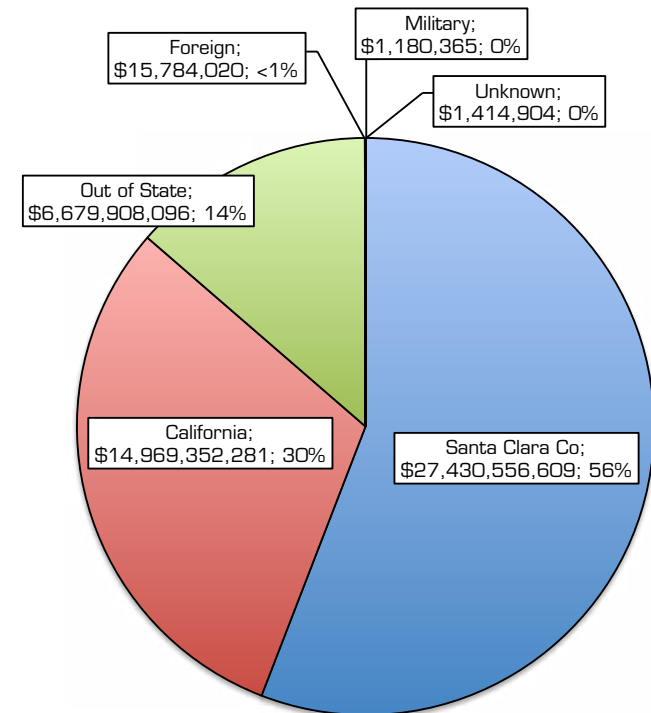
Majority of Parcels Locally Owned, but Over 40% of Taxes Paid from Outside County

90% of Tax Bills are Sent Within Santa Clara Co



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

56% of District's AV Owned Inside County



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

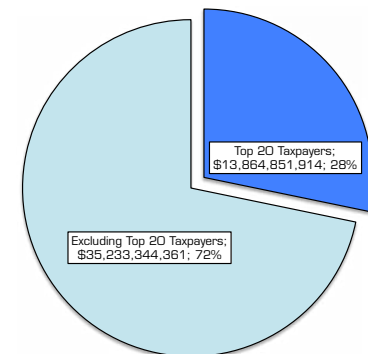
Top 20 Taxpayers (2017-18)

(by billing address)

Top 20 Taxpayers by Billing Address

<u>Billing Address</u>	<u>Net Value</u>	<u>% of District's AV</u>	<u># of Parcels</u>	<u>Owner/Mailing Location</u>	<u>Owners</u>
550 Newport Center Dr Newport Beach CA	\$3,252,105,925	6.6%	36	California	Santa Clara Square, Apts: Monticello, Verona & Mirada at Crescent Ridge etc
1 Infinite Lp Ms 36-2Tx Cupertino CA	\$2,167,287,055	4.4%	4	Santa Clara Co	Apple
4949 Marie P Debartolo Way Santa Clara CA	\$1,108,534,628	2.3%	2	Santa Clara Co	Levi's Stadium
5890 Owens Dr Pleasanton CA	\$1,038,652,525	2.1%	27	California	Cisco
2200 Mission College Blvd Santa Clara CA	\$895,112,408	1.8%	12	Santa Clara Co	Intel
Po Box 59365 Schaumburg IL	\$636,679,250	1.3%	15	Out of State	Apts: Villa Granada, Epic, Enso, MFR housing etc
16600 Woodruff Ave #200 Bellflower CA	\$592,588,001	1.2%	14	California	Digital Realty, various data center & colocation service centers
401 9Th St NW Unit 600 Washington DC	\$484,485,934	1.0%	1	Out of State	Hopwell Building Supplies
3655 N 1St St San Jose CA	\$388,236,696	0.8%	1	Santa Clara Co	Samsung Semiconductor
P.O. Box 5200 Belmont CA	\$379,539,438	0.8%	2	California	Oracle
PO Box 87407 Chicago IL	\$370,743,621	0.8%	3	Out of State	Equity Residential - Apts: Domain, Southern CA Corp Housing etc
5510 Morehouse Dr Ste 200 San Diego CA	\$322,847,213	0.7%	2	California	Apts: The Verdant, Venue
230 Park Ave New York NY	\$311,174,590	0.6%	2	Out of State	Columbia California Campus - office buildings
2701 San Tomas Expy Santa Clara CA	\$311,001,634	0.6%	2	Santa Clara Co	Nvidia
P O Box 87407 Chicago IL	\$298,643,402	0.6%	1	Out of State	Apts: Vista 99
18818 Teller Ave Ste 277 Irvine CA	\$271,258,667	0.6%	4	California	Apts: Aire-Berkshire, 121 Tasman, Enclave,
130 Holger Way San Jose CA	\$270,629,384	0.6%	4	Santa Clara Co	Brocade Communications Systems
1590 Drew Ave Ste 200 Davis CA	\$264,997,862	0.5%	3	California	Apts: Bella Vista, Carlyle, Nantucket
3553 North First St San Jose CA	\$255,000,000	0.5%	9	Santa Clara Co	Leeco Real Estate Group - zoned, vacant land
P.O. Box 59365 Schaumburg IL	\$245,333,681	0.5%	2	Out of State	Apts: Lawrence Station, Fountains at River Oaks
	\$13,864,851,914	28.2%	146		

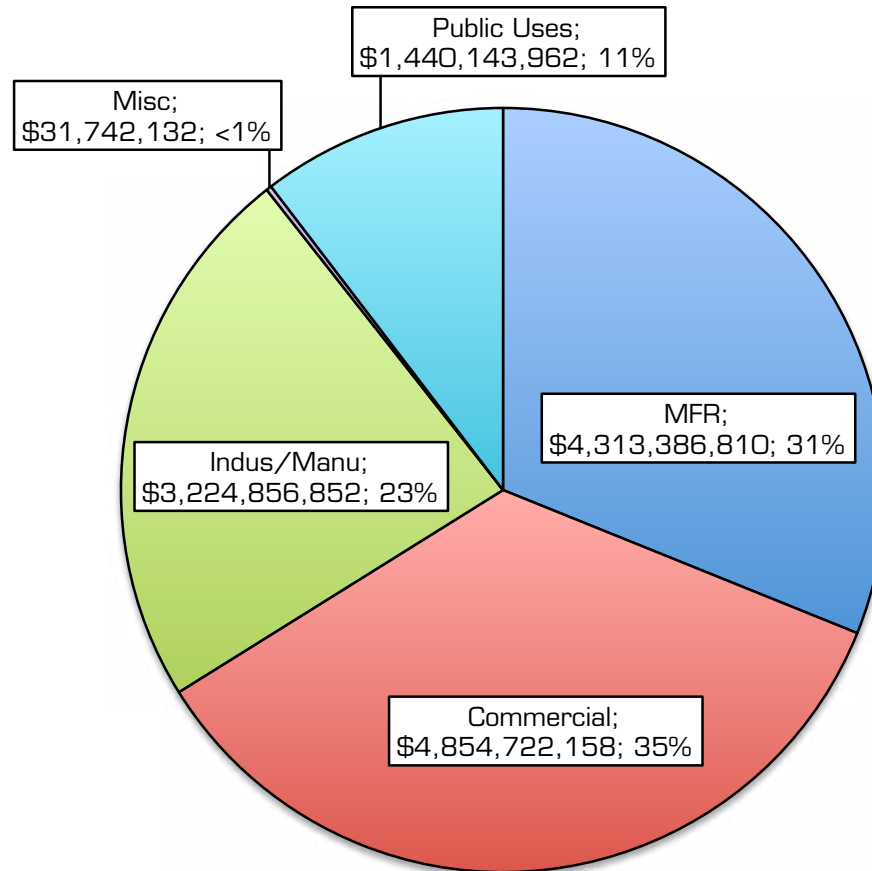
Top 20 Taxpayers (by Billing Address) Comprise 28% of Total District AV



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.

Top 20 Taxpayers Mostly Comm./Indus. & MFR

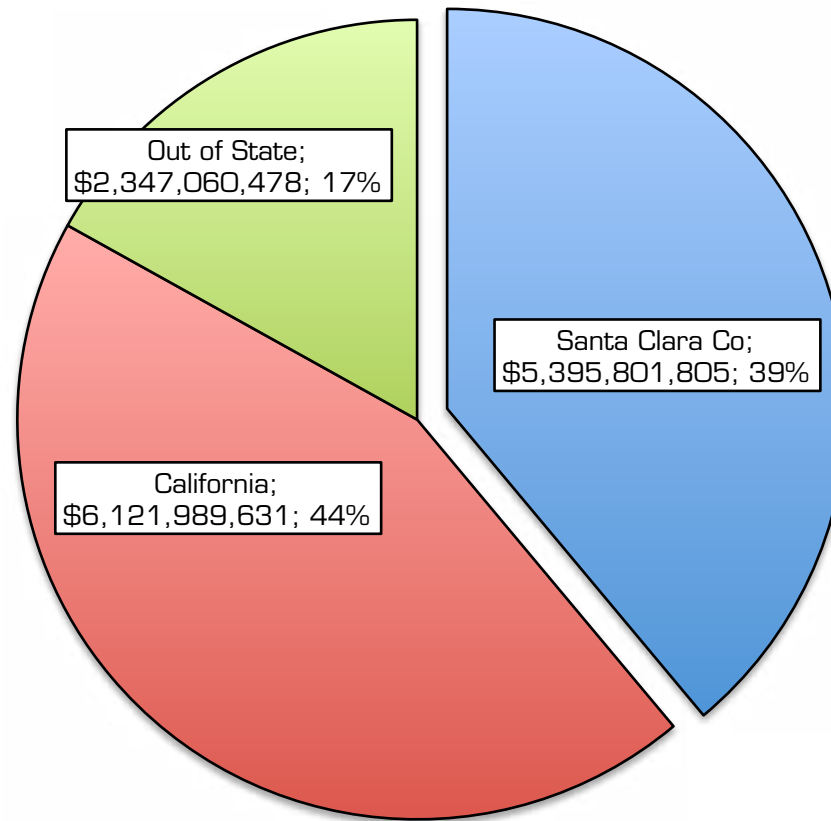
Multi-Family Residential, Commercial and Industrial/Manufacturing Account for 89% of the AV for the Top 20 Taxpayers (by Billing Address)



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Indus/Manu comprised of County categories: Industrial and Manufacturing; Misc comprised of Misc, Agricultural, Housing-Misc, Unknown, Utilities, & Vacant. Percentages rounded.

Top 20 Taxpayers Mostly “Foreign”

**For Top 20 Taxpayers (by Billing Address), 61% of AV
is Owned Outside of Santa Clara County**



Note: 2017-18 assessment roll as provided by Santa Clara County Assessor's office. Percentages rounded.