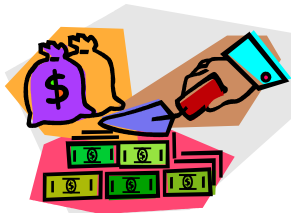


General Shafter School District



Consideration of a General Obligation Bond Measure



GENERAL SHAFTER
General Shafter School District



Government
Financial
Strategies

Presented by Lori Raineri
December 8, 2015

Our Agenda for Today

- ◆ Current Facilities Needs
 - ▶ Potential General Obligation Bond Measure Funding
 - ▶ Current Property Taxes
 - ▶ Current Property Tax Base Demographics
- ◆ Future Facilities Needs
 - ▶ Potential for New Development to Address Resulting School Facilities Needs
- ◆ Proposed Bond Measure Plan



Current Facilities Needs

- ◆ New Multi-Purpose Room
 - ▶ Estimated Cost: \$5 million - \$6 million



School Buildings Matter



Bond Amount Depends on Tax Base

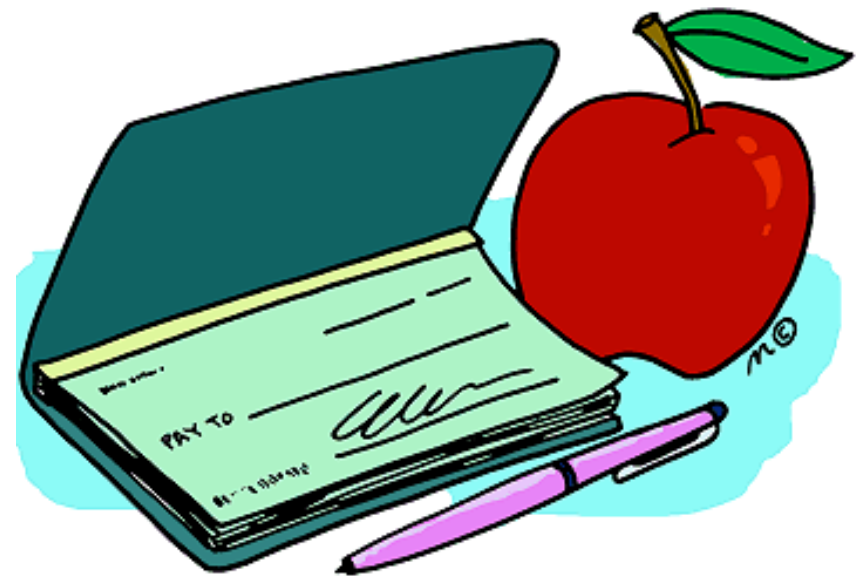
- ◆ For a union school district, the maximum projected tax levy for a 55% voter approval bond measure is \$30 per \$100,000 of assessed value.
- ◆ Based on a \$30 per \$100,000 of assessed value projected tax levy, the current tax base with conservative growth is estimated to support \$6.2 million in bonds (assuming a June 2016 election).
 - ▶ Net \$5.65 million for projects

Current Taxes > \$1.07 Per \$100 of A.V.

2015-16 Property Tax Rates Levied on Property within General Shafter School District by Other Agencies

GEN LOCAL GOVT	1.000
KCWA ZN 17 DEBT	0.014
KCWA ZN 19 DEBT	0.016
KERN HIGH RF 2011	0.008
KERN HIGH 2004-D	0.005
KERN HIGH RF 2012	0.007
KERN HIGH RF 2013	0.007
KERN HIGH RF 04C	0.006
KCCD SRID 2002B	0.002
KCCD SRID 2002C	0.003
KCCD SRID 05A RFD	0.008
*KCSWMP LAND USE	\$82.89
KMVCD VECTOR ASMT	\$2.00

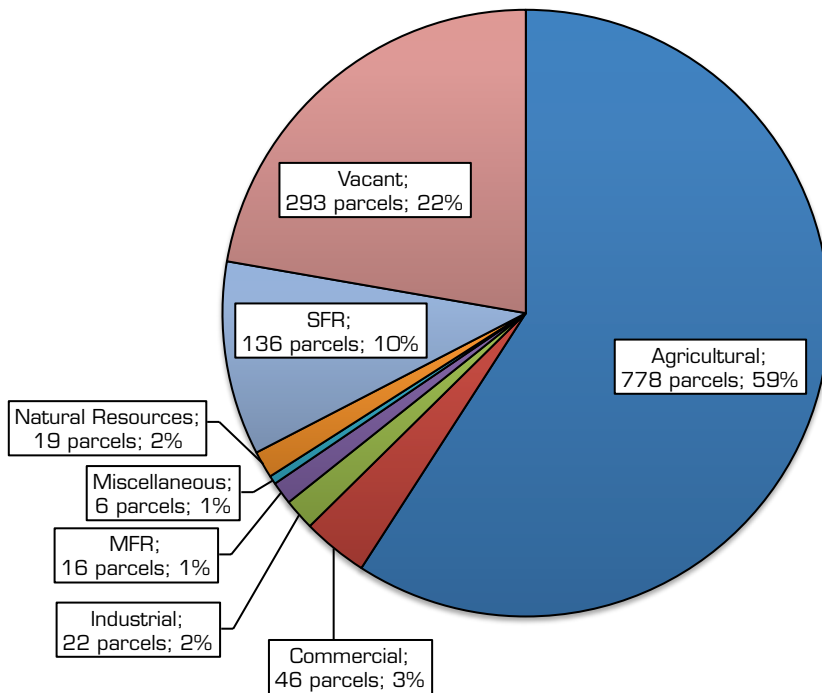
1.076 x Assessed Value + \$84.89 for residential properties



A General Shafter General Obligation bond is estimated to add an additional 0.030

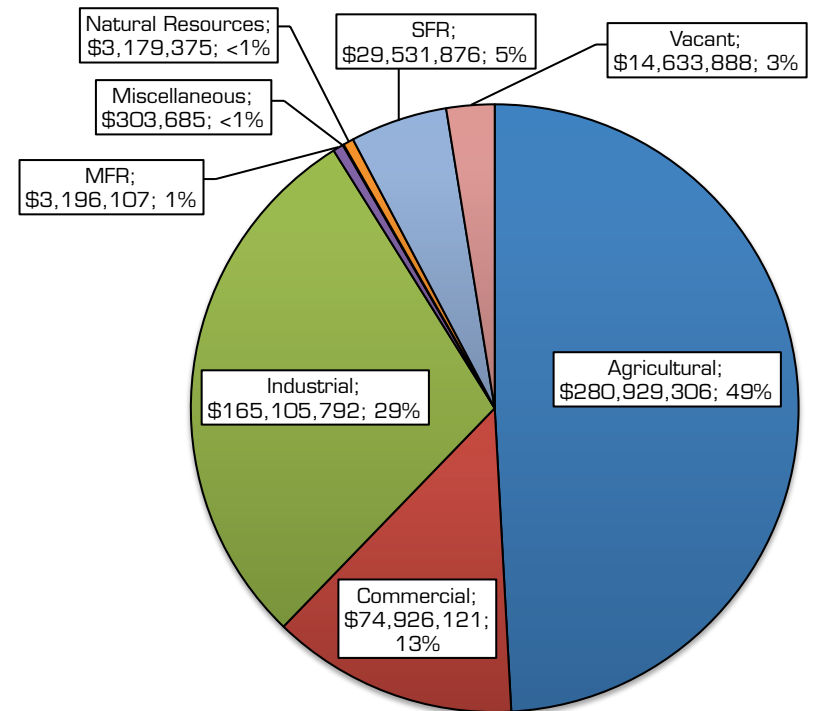
Current Tax Base is Predominantly Ag

59% of District Parcels are Agricultural



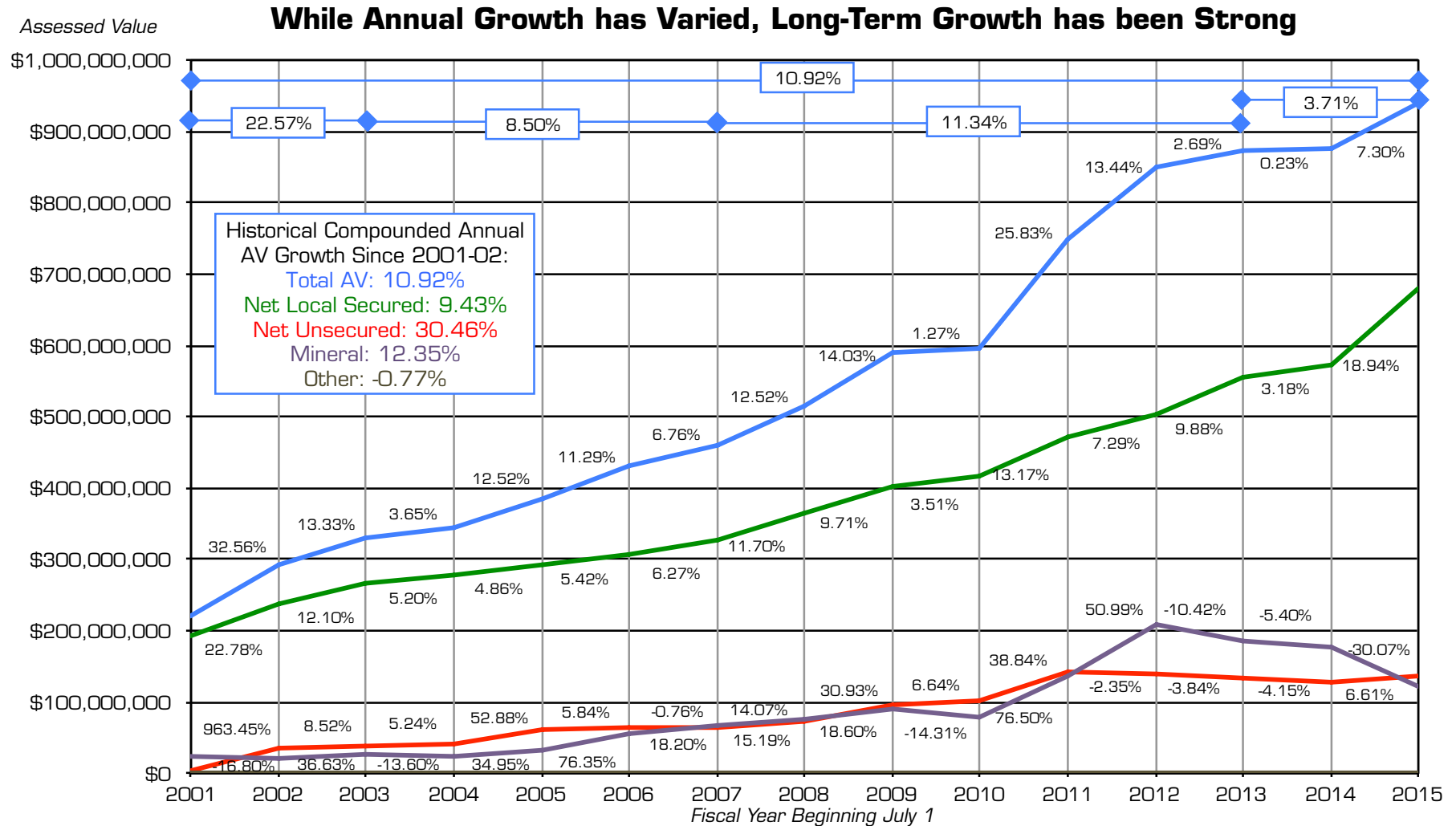
Note: 2014-15 assessment roll as provided by Kern County Assessor's office. Percentages rounded. Outlets at Tejon still classified as "vacant," but treated as "Commercial" for this analysis.

49% of AV in District is Agricultural



Note: 2014-15 assessment roll as provided by Kern County Assessor's office. Percentages rounded. Outlets at Tejon still classified as "vacant," but treated as "Commercial" for this analysis.

And Tax Base is Not Static

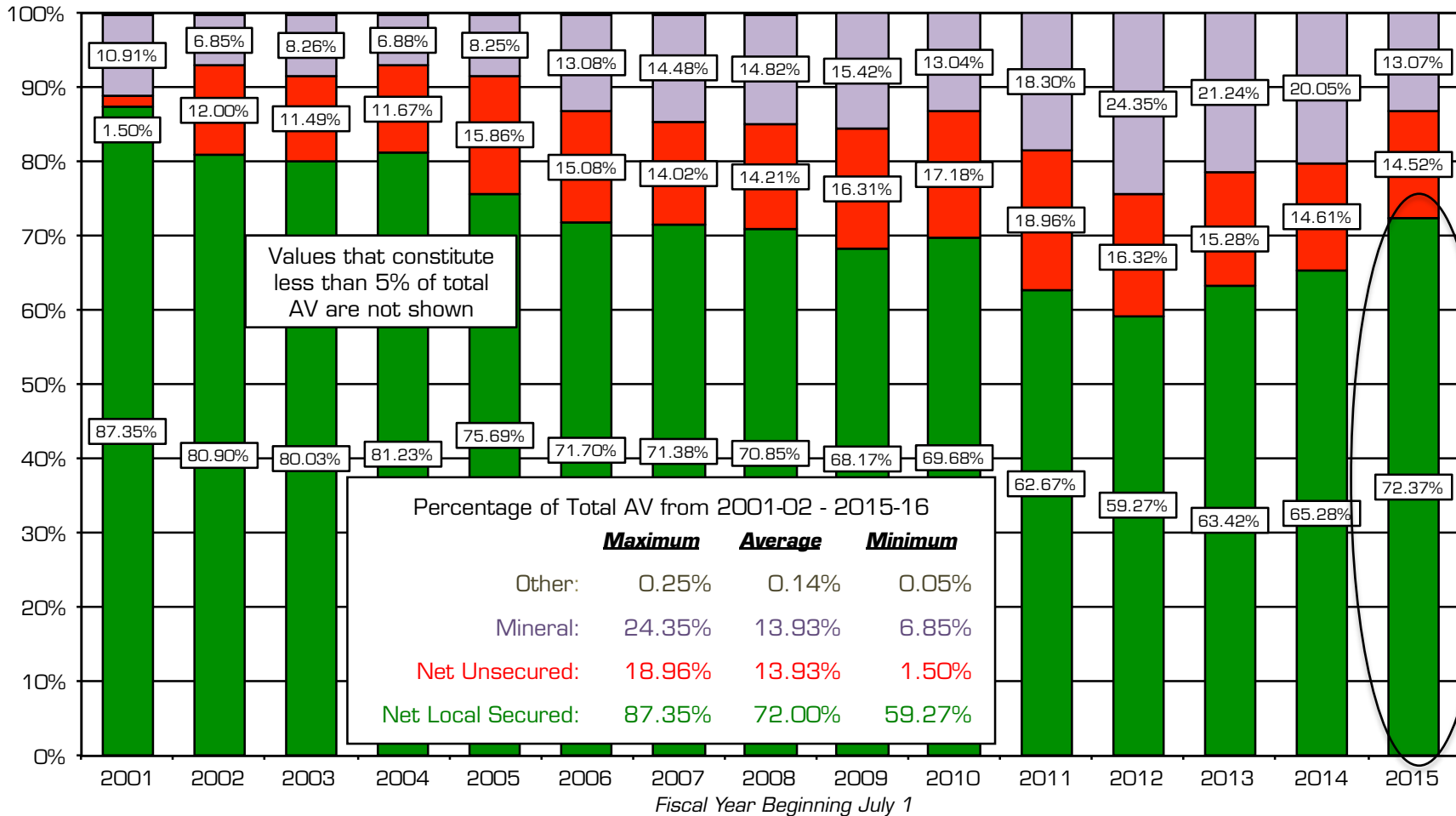


Historic assessed value (AV) provided by the Kern County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, mineral (oil) and other (utility & homeowners' exemption). Changes shown are annual changes. 2015-16 AV is preliminary.

Net Local Secured > 70% of Tax Base

Assessed Value

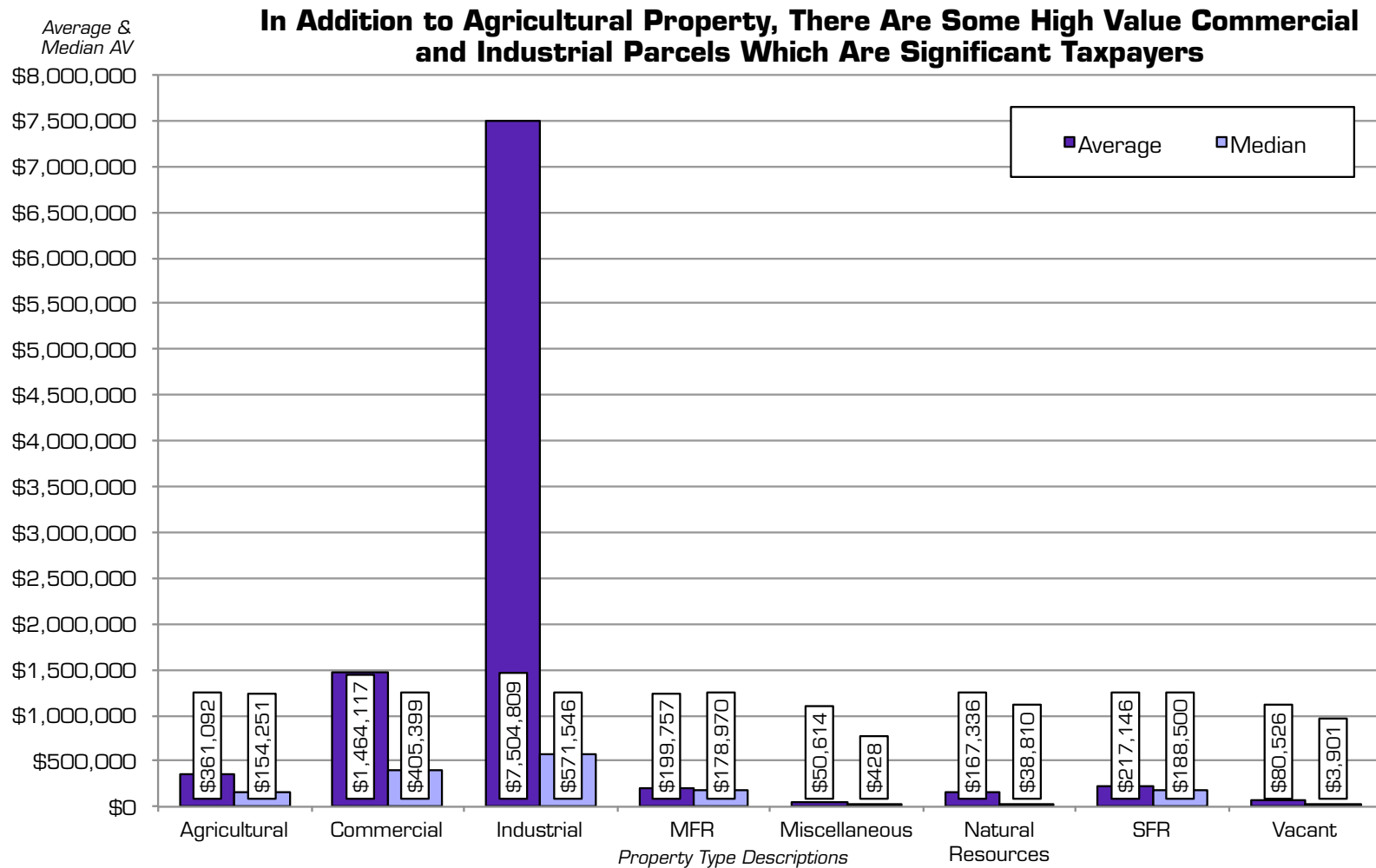
Composition of Total AV has Fluctuated Since 2001-02



Let's look at the Net Local Secured tax base more closely.

Historic assessed value (AV) provided by the Kern County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, mineral & other (utility & homeowners' exemption). 2015-16 AV is preliminary.

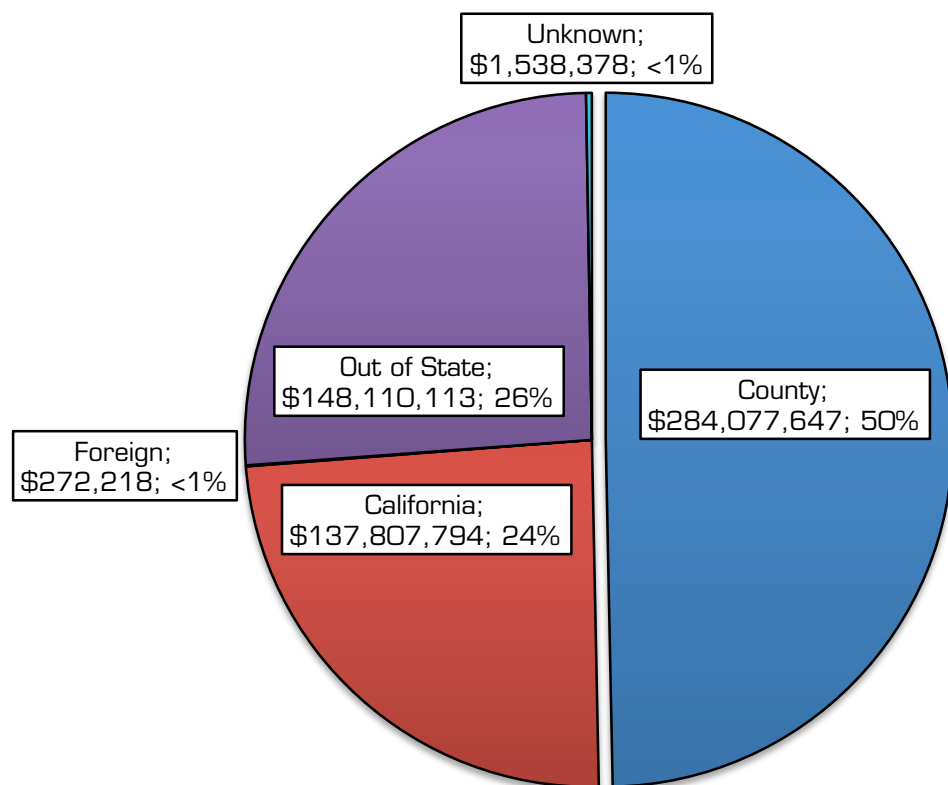
Average & Median Assessed Values



Note: 2014-15 assessed values as provided by Kern County Assessor's office.

Locally Taxed. . .Only 50% Locally Owned

50% of District's Net Local Secured AV Owned Outside County

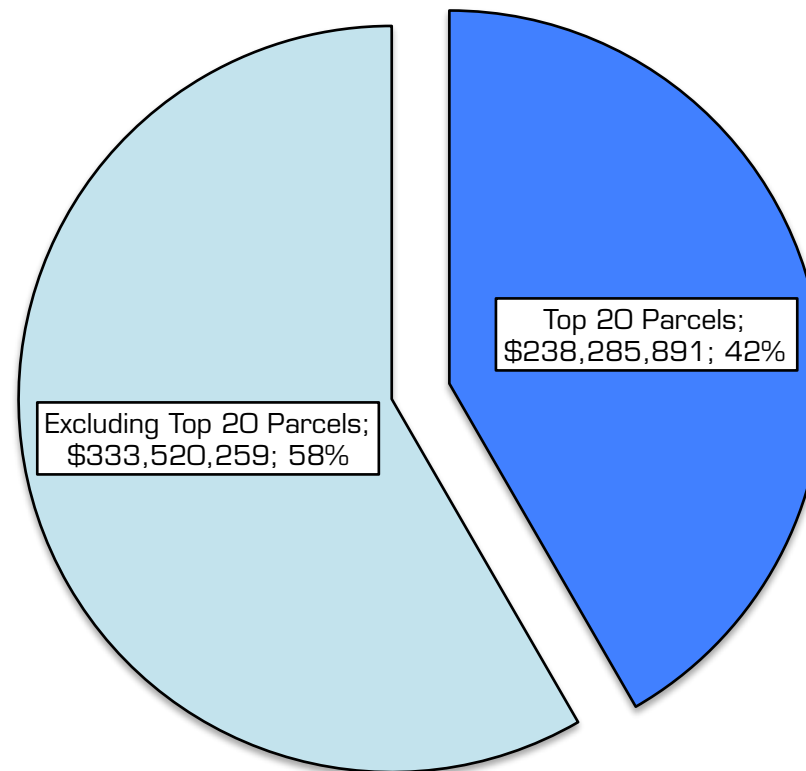


Note: 2014-15 assessment roll as provided by Kern County Assessor's office. Percentages rounded.

> 40% of Local Prop. Tax Paid by Top 20

(net local secured)

Top 20 Parcels by AV Comprise 42% of Total District AV



Note: 2014-15 assessment roll as provided by Kern County Assessor's office. Percentages rounded.

20 Largest Taxable Properties

(net local secured)

<u>Net Value</u>	<u>Owner/Business</u>	<u>Use Description</u>	<u>Owner Location</u>
\$56,915,699	IKEA	Industrial	Out of State
\$25,062,789	Dollar General	Industrial	County
\$24,812,137	Famous Footwear	Industrial	California
\$24,694,365	Caterpillar	Industrial	Out of State
\$17,500,000	Paramount Farms	Industrial	Out of State
\$16,222,334	East Travel Plaza - Shell	Commercial	Out of State
\$15,930,976	Petro Travel Plaza	Commercial	Out of State
\$11,903,473	Ag Land - Dairy	Agricultural	County
\$9,040,860	Outlets at Tejon	Commercial	* County
\$5,538,980	Desert Block	Industrial	California
\$3,912,800	Ag Land	Agricultural	County
\$3,792,867	Microtel Inn	Commercial	County
\$3,265,060	West Coast Grape Farms	Agricultural	California
\$3,186,782	Bolthouse Properties	Agricultural	County
\$3,025,618	Ag Land	Industrial	California
\$2,772,019	In-N-Out	Commercial	California
\$2,743,000	Petro Shopping Ctr - Chevron	Commercial	Out of State
\$2,696,627	Best Western	Commercial	County
\$2,674,487	Ag Land	Agricultural	County
\$2,595,018	Ramada Inn	Commercial	County
<u>\$238,285,891</u>			

*Outlets at Tejon still classified as "Vacant," but treated as "Commercial" for this analysis.

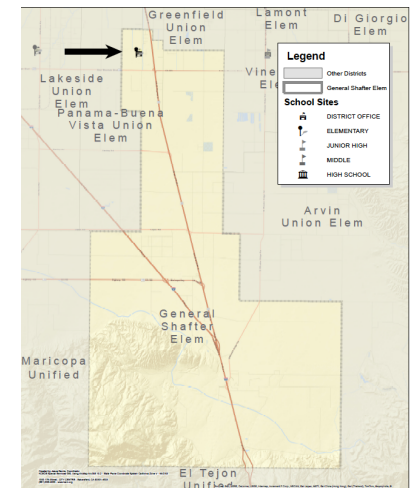
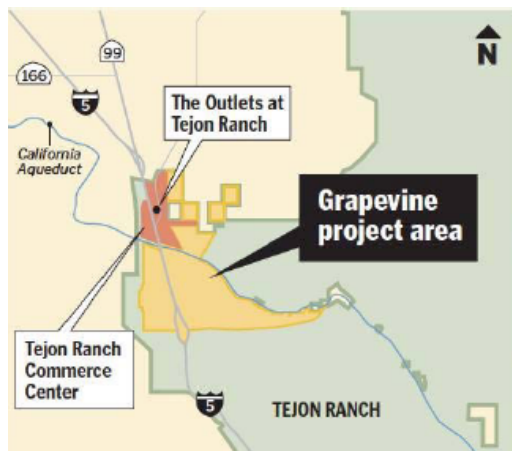
Bond Amount Supported by Tax Base

- ◆ Based on \$30 per \$100,000 of assessed value tax levy, existing development tax base supports \$6.2 million bond measure (assuming a June 2016 election).
 - Net \$5.65 million for facilities expenditures



Future Facilities Needs - Grapevine Development

- ◆ Up to 12,000 new homes
 - ▶ Estimated to require five or more new K - 8 schools
- ◆ New building => increased tax base
- ◆ Tax base growth from Grapevine Development is very preliminarily estimated to support \$39 million in bonds over long-term

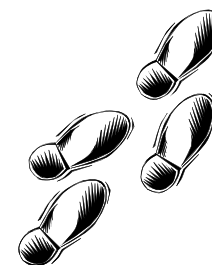


Possible Bond Measure

- ◆ Address current need and plan for some future facilities needs by:
 - ▶ Placing \$40 million bond measure on June 2016 ballot
 - ▶ In 2016, issue bonds (up to \$6.2 million) to fund multi-purpose room
 - ✓ *Addresses immediate need*
 - ▶ Holding remaining bonding authority in reserve until needed and bond issuances supported by tax base
 - ✓ *Provides flexibility to address future needs*

Next Steps for June Election

- ◆ December - January
 - ▶ Development of bond resolution and ballot statement
- ◆ Tuesday, January 5, 2016
 - ▶ Board considers resolution calling for election
- ◆ After Board Meeting
 - ▶ Resolution filed with Kern County (legal deadline is March 11, 2016)
- ◆ June 7, 2016 would be election day!



Thank You, Any Questions?

