



# Bond Planning

## School Facility Improvement Oversight Committee

October 21, 2024





## Meeting Goal

Finalize the “big” bond variables (size, duration, timing) and identify a Preferred Option, so that staff can refine the Preferred Option and provide more detail at the next meeting.



# Bond Planning (to date)

## **January 23, 2024 Board Work Session**

Materials

<https://meetings.boardbook.org/Public/Agenda/915?meeting=618340>

## **February 28, 2024 Facilities & Operations Committee**

Materials

<https://meetings.boardbook.org/Public/Agenda/915?meeting=624188>

## **March 20, 2024 Facilities & Operations Committee**

Materials

<https://meetings.boardbook.org/Public/Agenda/915?meeting=628478>

## **April 17, 2024 Facilities & Operations Committee**

Materials

<https://meetings.boardbook.org/Public/Agenda/915?meeting=632063>

## **May 31, 2024 Facilities & Operations Committee**

Materials

<https://meetings.boardbook.org/Public/Agenda/915?meeting=638812>

## **June 26, 2024 Facilities & Operations Committee**

Materials

<https://meetings.boardbook.org/Public/Agenda/915?meeting=642683>



# Bond Planning (to date)

## High Level Takeaways:

- Pursue a large(r) bond principal amount
- Continue to prioritize high school modernization projects
- Allocate significant funds to address existing facility conditions
- Proceed with planned technology improvements
- Retain the existing levy rate (\$2.50 / 1,000)



# 2024 Bond Planning (to date)





# Bond Planning (to date)

## June 2024

Deferred Maintenance	\$400,000,000
Priority Scope Upgrades	\$50,000,000
Athletics	\$300,000,000
Technology	\$138,000,000
Physical Education	\$90,000,000
Curriculum	\$334,000,000
Jefferson High School	\$125,000,000
Cleveland High School	\$450,000,000
Ida B Wells High School	\$435,000,000
Harriet Tubman Middle School	\$66,000,000
K5 Learning Lab	\$62,000,000
Administration	\$74,000,000
Contingency (15%)	\$367,000,000
	<b>\$2,891,000,000</b>



## **Staff recommend the Board consider:**

1. Target a total bond between \$1.5 - \$1.8 billion
2. Plan for an 8-year bond cycle
3. Retain the existing tax rate
4. Plan for the May 2025 ballot measure



# 1. Target a total bond between \$1.5B - \$1.8B

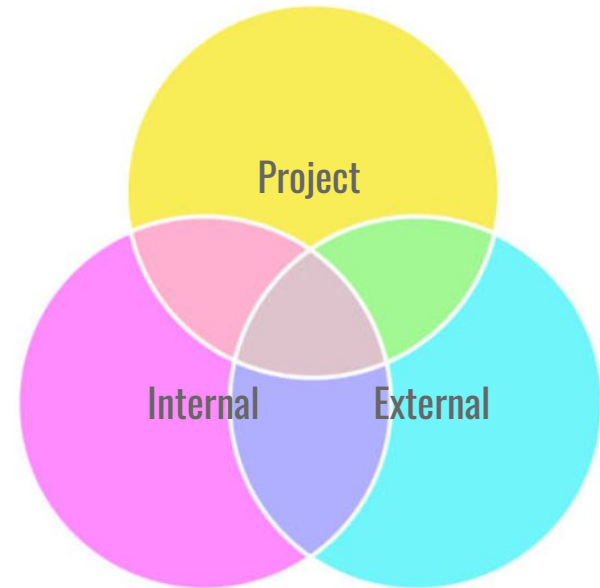
## Community Support

- Generally strong
- Begins to drop above \$1.5B

## Capacity Constraints

- A bond of \$1.8B would take 10 - 16 years to complete
- A bond of \$1.5B would take 8 - 14 years

**Does the board support a total bond amount between \$1.5 billion and \$1.8 billion?**





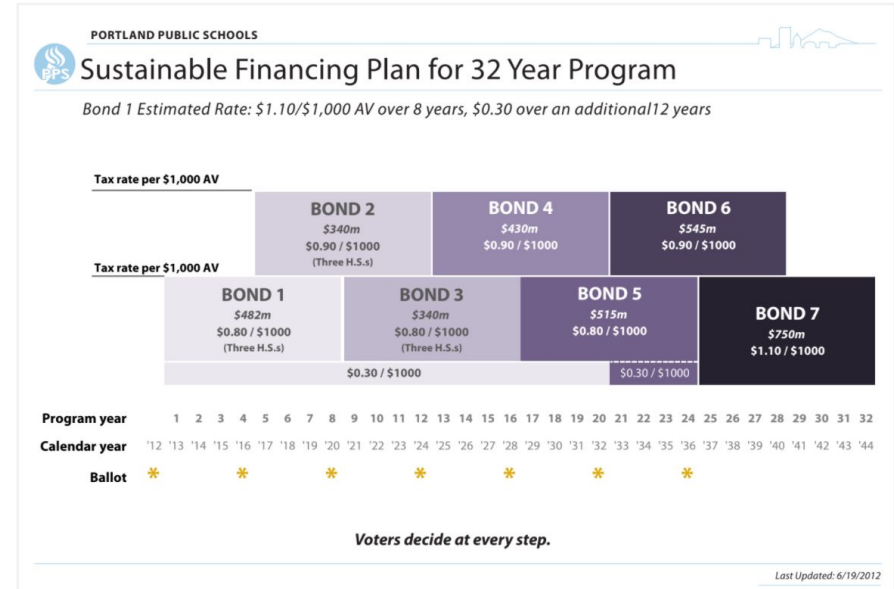


## 2. Plan for an 8-year bond cycle

Assume next bond in Nov 2032

- Rate decrease in 2032
- 8-year refresh cycle for repeated scopes of work

Does the board support planning for the next bond in approximately 2032?

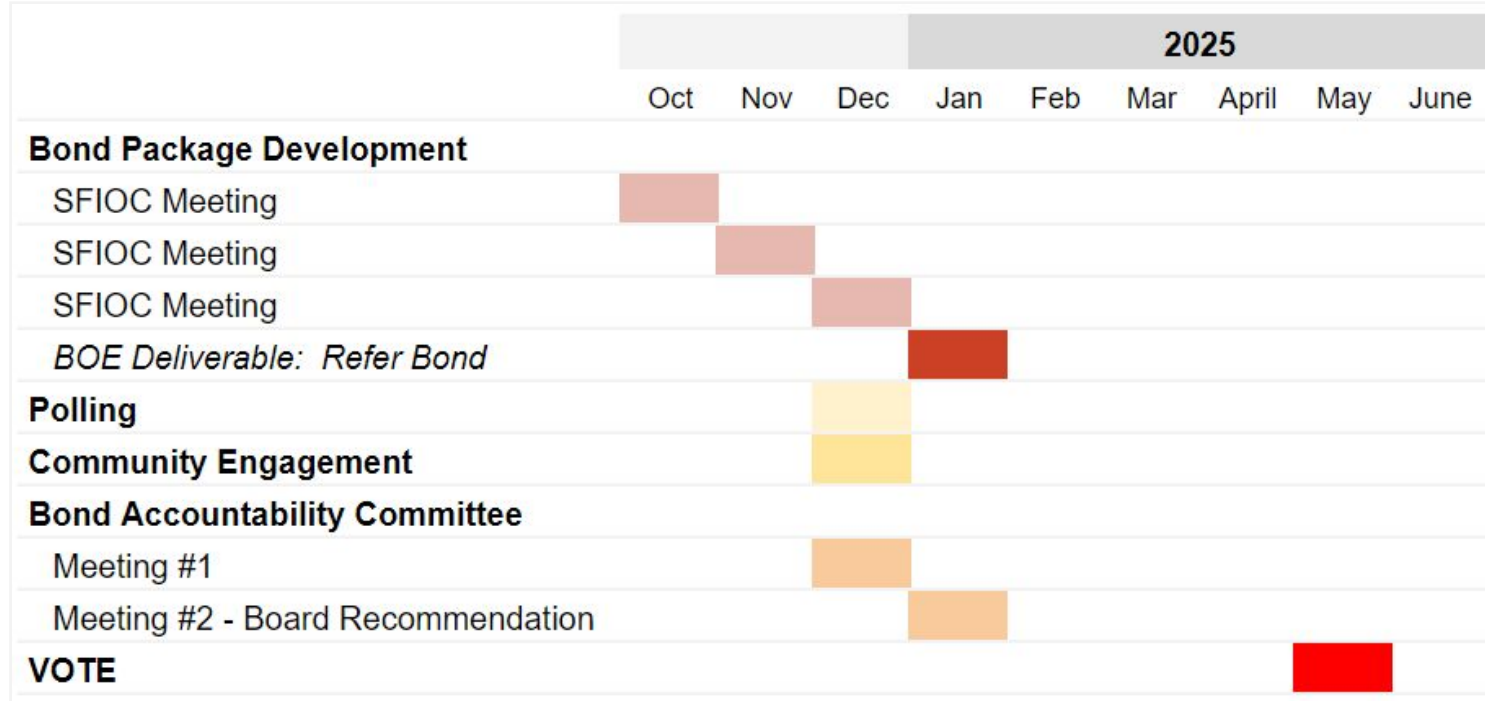




### 3. Retain the existing tax rate

Sample Bond Financing Options	Approx Bond Amount (Principal)	Estimated Total Interest	Total Rev Needed	Approx Interest as % of Principal	Approx Length of Debt	Estimated Levy Rate	Potential Next Bond
<b>A.1</b> Use available capacity below (e) levy rate   8-year debt term	\$450M	\$90M	\$540M	20%	8 years	\$2.50 / 1000 (renewal)	2032
<b>A.2</b> Use available capacity below (e) levy rate   12-year debt term	\$850M	\$250M	\$1.1B	30%	12 years	\$2.50 / 1000 (renewal)	2036
<b>A.3</b> Use available capacity below (e) levy rate   variable debt term	\$850M	\$325M	\$1.175B	38%	16 years (8 year drop)	\$2.50 / 1000 (renewal)	2032
<b>B.1</b> \$1.5B principal amount   retain (e) levy rate	\$1.5B	\$575M	\$2.075B	38%	20 years (16 year drop)	\$2.50 / 1000 (renewal)	2040
<b>B.2</b> \$1.5B principal amount   increase levy rate to \$3/1000	\$1.5B	\$250M	\$1.175B	17%	16 years (12 year drop)	\$3.00 / 1000 (\$0.50 increase)	2036
<b>C.1</b> \$1.5B principal amount   8-year debt term	\$1.5B	\$300M	\$1.8B	20%	8 years	\$4.50 (\$2 increase)	2032
<b>C.2</b> \$1.5B principal amount   12-year debt term	\$1.5B	\$400M	\$1.9B	26%	12 years	\$3.25 (\$0.75 increase)	2036
<b>D.1</b> \$1.5B principal amount   retain (e) levy rate   variable debt term	\$1.5B	\$950M	\$2.45B	64%	24 years (8 year drops)	\$2.50 / 1000 (renewal)	2032
<b>E.1</b> \$1.8B principal amount   retain (e) levy rate   variable debt term	\$1.8B	\$1.7B	\$3.5B	95%	28 years (8 year drops)	\$2.50 / 1000 (renewal)	2032
<b>E.2</b> \$1.8B principal amount   retain (e) levy rate   retire debt ASAP	\$1.8B	\$800M	\$2.4B	44%	16 years	\$2.50 / 1000 (renewal)	2043
<b>F.1</b> \$2.2B principal amount   retain (e) levy rate   variable debt term	\$2.2B	\$2.1B	\$4.3B	95%	28 years (8 year drops)	\$2.50 / 1000 (renewal)	2032
<b>G.1</b> \$3.0B principal amount   retain (e) levy rate   variable debt term	\$3.0B	\$2.5B	\$5.5B	82%	36 years (16 year drop)	\$2.50 / 1000 (renewal)	2040

## 4. Plan for the May 2025 ballot measure





# Capital Priorities

	<b>Option #1</b> <i>HS Modernizations</i>	<b>Option #2</b> <i>Deferred Maintenance &amp; Priority Projects</i>	<b>Option #3</b> <i>Mix of #1 &amp; #2</i>
Physical Facility Improvements	\$150,000,000	\$1,050,000,000	\$600,000,000
Educational & Technology Improvements	\$332,575,000	\$332,575,000	\$332,575,000
Capacity	\$0	\$0	\$0
Modernizations	\$1,025,000,000	\$125,000,000	\$560,000,000
Admin	\$45,227,250	\$45,227,250	\$44,777,250
Contingency	\$226,136,250	\$226,136,250	\$223,886,250
<i>Total</i>	<i>\$1,778,938,500</i>	<i>\$1,778,938,500</i>	<i>\$1,761,238,500</i>
<b>Rounded Total</b>	<b>\$1,800,000,000</b>	<b>\$1,800,000,000</b>	<b>\$1,800,000,000</b>



# Next Steps

Continued scope and cost refinement based on committee feedback

Updated levy rate analyses

Begin community engagement

**Next SFIOC Committee:** \_\_\_\_\_