

2012 Bond Campaign



April 26, 2012

Bridging the Gap

Option 1:

- Go to the voters in 2012 for traditional bond authorization
- Request to raise property tax rate from \$0.5534 to \$0.7654
- Would generate \$550 million* in capacity over a 2-year period

Option 2:

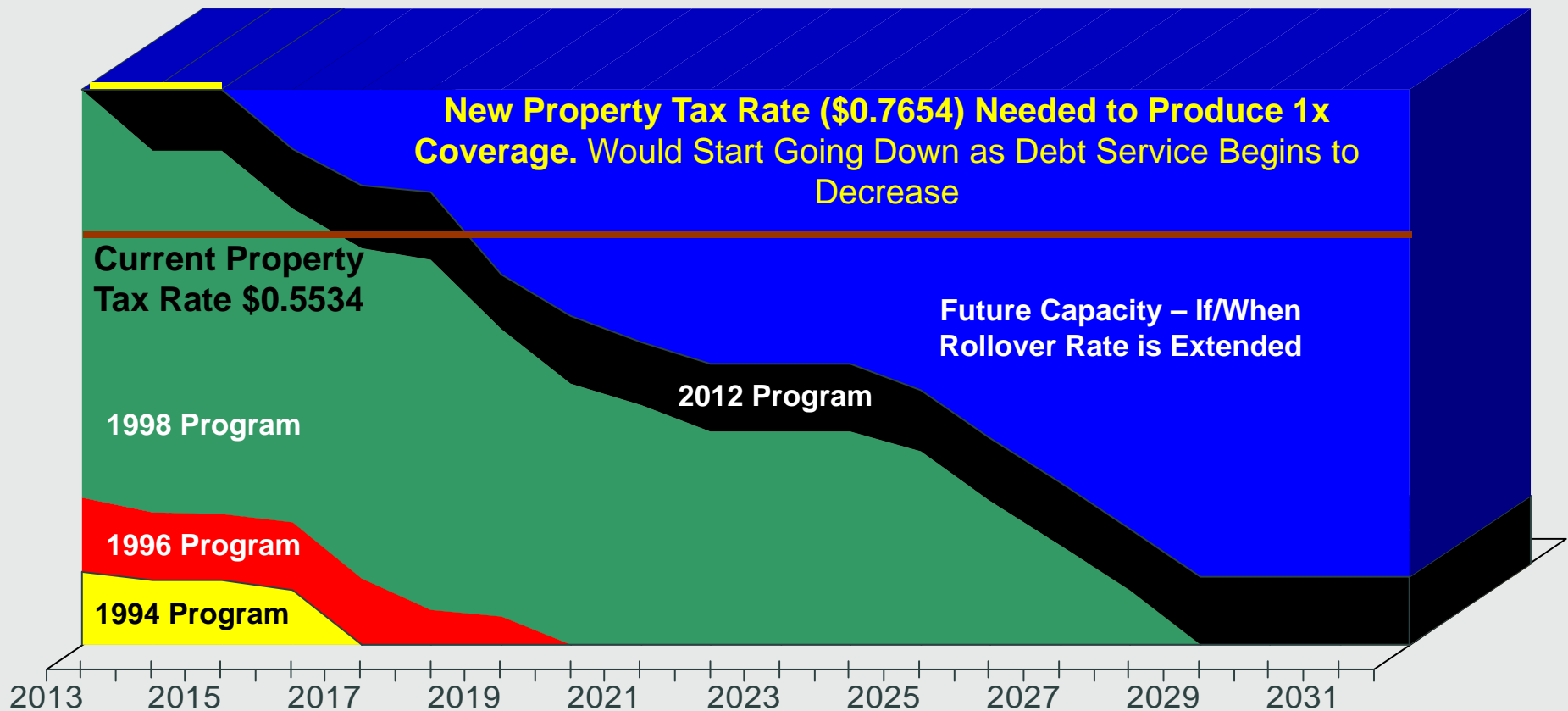
- Go to the voters in 2012 for a 6-year capital levy (pay-as-you-go)
- Request to raise property tax rate from \$0.5534 to \$0.7654
- Would generate \$669 million** in capacity

*Assumptions: 20-year bonds, 5.5% interest, no further decline in assessed values past 2013

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Option 1 (Traditional Bond – Short Bridge)

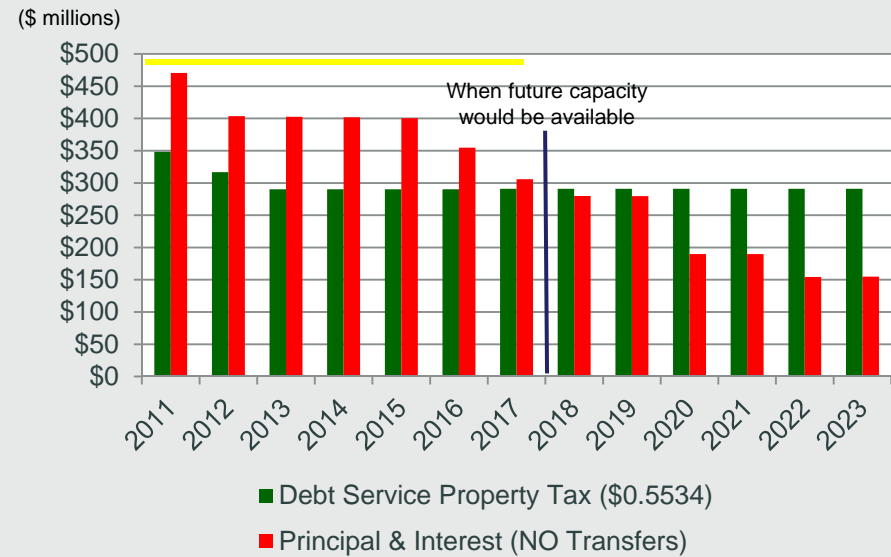
Property Tax revenues must be at least equal to next year's principal and interest payments



Requesting the issuance of \$550 million over a 2-year period.

Option 2

Pay-As-You-Go Program
No Debt (Medium Bridge)



Rationale for \$0.212 increase

- Consistent with Option 1 rate
- Length of 6 years will serve **as a bridge** until future capacity exists for a rollover rate

	Length of Capital Levy						
	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	10 Year
Tax Rate							
\$0.01	\$5.2 million	\$10.4 million	\$15.6 million	\$20.8 million	\$26 million	\$31.2 million	\$52 million
\$0.119	\$62.4 million	\$124.8 million	\$187.2 million	\$249.6 million	\$312 million	\$374.4 million	\$624 million
\$0.212	\$111.5 million	\$223 million	\$334.5 million	\$446 million	\$557.5 million	\$669 million	\$1.1 billion

Projects Summary of Immediate Needs

Prioritized List of Major Capital Project Immediate Needs:		
Priority:		
1	Life Safety (Fire Alarms/Intercoms Systems)	\$ 4,355,000
2	Classroom Technology Upgrades	9,280,000
3	Electrical Upgrades (Required for Technology Upgrades)	4,825,000
4	Replace Intrusion Alarm Systems	1,555,000
5	Life Safety - Replace CCTV Systems	3,560,000
6	Roof Replacements	5,800,000
7	Technology Server Replacements	4,165,000
	Recommended Funding Through Revision 17 - 1998 CIP	33,540,000
8	Major Modernization/Rehabs @ 19 Schools (Including Gym Additions @ 4)	389,950,000
9	Replace HVAC Sytems @ 7 MS's	61,740,000
10	Electrical Upgrades	11,900,000
11	Technology 2013 - 2017 (5 % of Need)	25,000,000
12	Major Non-Technology Equipment Replacement 2013-2017 (5 % of Need)	25,000,000
13	Complete Phased Replacement of BCHS	33,740,000
14	Complete West Prep Conversion	12,000,000
15	Replace 2 ES Schools	54,400,000
16	2 New ES Schools for Overcrowding	50,000,000
	Recommended Funding Through Additional Capital Levy	663,730,000
17	Replacement Schools (8)	213,900,000
18	Provide Classroom Equity and Multipurpose/Cafeteria Additions	641,200,000
19	Complete Phased Replacements @ 3 Schools	79,220,000
20	Replace Temporary Facilities with Permanent Buildings @ Sandy Valley	10,500,000
21	Replace Football Field Turf with Synthetic Turf for Water Savings & Safety	18,905,000
22	New Seats Required for Overcrowding (Equivalent to 7 ES Schools)	175,000,000
23	Softball Field Upgrades (Title IX Requirements)	3,000,000
	Immediate Unfunded Need	\$ 1,141,725,000
	Total	\$ 1,838,995,000
	Additional Unfunded Need	\$ 3,447,005,000
		\$ 5,286,000,000

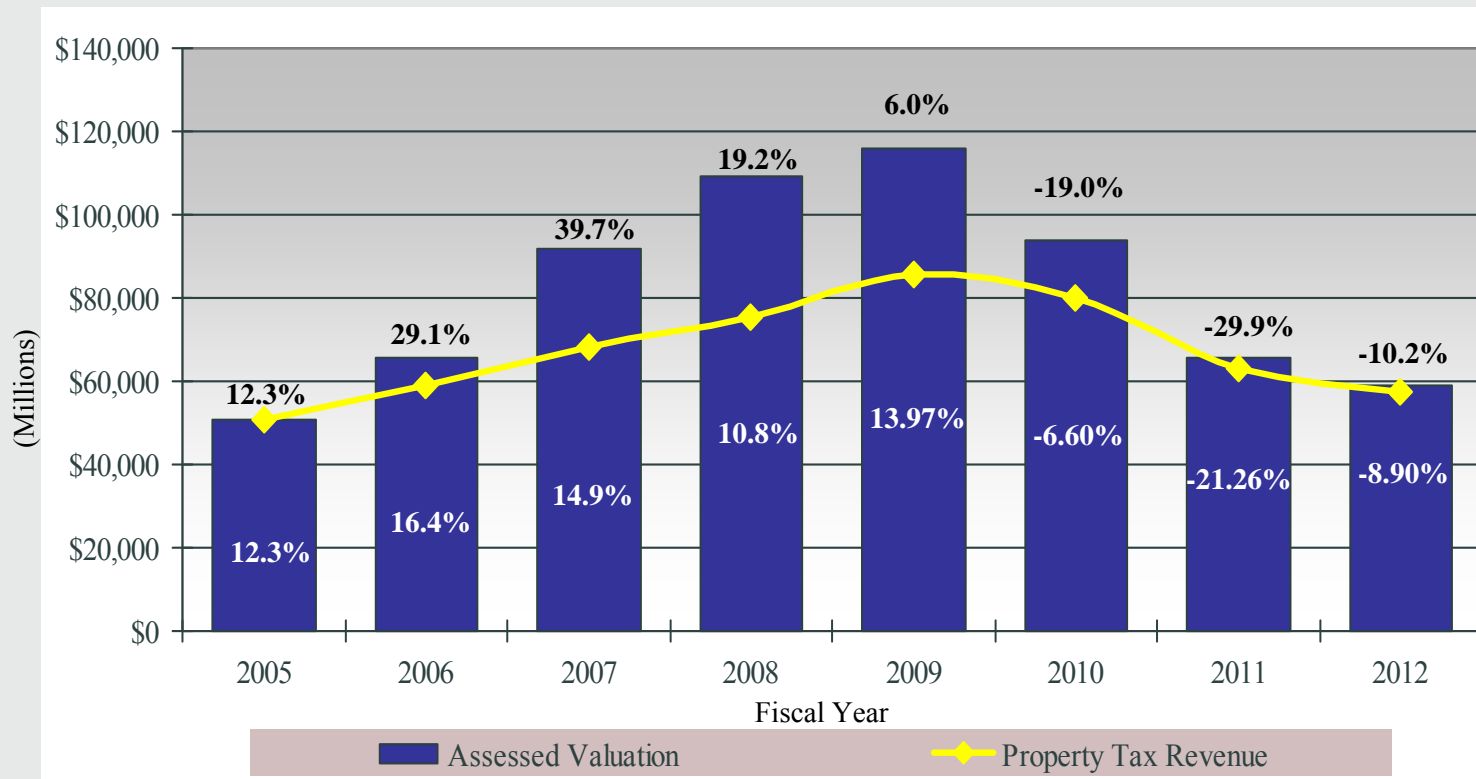
Funded

Bridge

Unfunded

HISTORY OF CLARK COUNTY ASSESSED VALUATION & PROPERTY TAX REVENUE

- ▶ Fiscal years 2010 through 2012 Tax Revenues Decline Less than Assessed Value Decline Due to New Construction and Previously Abated Tax Revenues



Note: Includes Assessed Valuations for the Redevelopment Agencies

Next Steps

Date	Event	Action Needed
May 2	Reconvened Board Meeting	Decision to develop ballot question and move forward
Ongoing Through May	Attend City Council meetings	City Councils/County Commissioners need to approve resolutions supporting tax increase
June 7	Debt Management Commission	Approval to raise property taxes
June 8	Special Board Meeting	Board approves resolution of ballot question
June 15	Registrar of Voters	Ballot Language submitted
July 16	County Clerk	For/Against Arguments to County Clerk

What If We Do Nothing?

- Property tax rate will go up in 2015 just to support existing debt service
- No new capacity until 2018
- There will be a negative impact to the District's general operating fund

Questions...?