



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: May 18, 2021

25

TO: Board of Supervisors

SUBJECT

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT 2021 GENERAL OBLIGATION BONDS, (ELECTION OF 2012), SERIES E AND THE 2021 GENERAL OBLIGATION REFUNDING BONDS (DISTRICTS: 3 & 5)

OVERVIEW

2021 General Obligation Bonds, Election of 2012, Series E

A bond election was held in the San Dieguito Union High School District, County of San Diego, California ("District") on November 6, 2012, at which at least 55% of the voters casting ballots authorized the issuance of general obligation bonds of the District in the maximum aggregate principal amount of \$449,000,000 ("Proposition AA Authorization"). The Board of the District ("District Board") has issued or caused to be issued approximately \$364,040,000 aggregate principal amount of general obligation bonds under the Proposition AA Authorization, over several series of bonds and carries a remaining amount of approximately \$84,960,000. On April 22, 2021, the District Board authorized the issuance of the Series E bonds under the Proposition AA Authorization in an aggregate principal amount not to exceed \$84,960,000 to be designated as the "San Dieguito Union High School District 2021 General Obligation Bonds, Election of 2012, Series E-1 (Taxable) and Series E-2 (Tax-Exempt)," (together, "2021 Series E GO Bonds"). Following the issuance of the 2021 Series E GO Bonds there will be no authorization remaining of the Proposition AA Authorization.

2021 General Obligation Refunding Bonds

As part of the Proposition AA Authorization, the District Board previously issued its San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt) in the aggregate principal amount of \$110,030,000. On April 22, 2021, the District Board authorized the issuance of the refunding bonds under the Proposition AA Authorization in an aggregate principal amount not to exceed \$130,000,000 to be designated as the "San Dieguito Union High School District 2021 General Obligation Refunding Bonds" ("2021 GO Refunding Bonds").

Today's recommendation will request adoption of two resolutions for issuance of the 2021 Series E GO Bonds and 2021 GO Refunding Bonds. The resolutions include authorizing District to issue and sell 2021 Series E GO Bonds, designating the Treasurer-Tax Collector of San Diego as the Paying Agent, executing a Paying Agent and Investment Management Agreement and directing

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the Auditor and Controller to maintain the tax roll for the 2021 Series E GO Bonds and 2021 GO Refunding Bonds.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Adopt a resolution entitled:
RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AUTHORIZING THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT TO ISSUE AND SELL THE 2021 GENERAL OBLIGATION BONDS (ELECTION OF 2012, SERIES E), APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT AND INVESTMENT MANAGEMENT AGREEMENT, DIRECTING THE COUNTY AUDITOR AND CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID BONDS
2. Adopt a resolution entitled:
RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO, CALIFORNIA, AUTHORIZING THE COUNTY TREASURER-TAX COLLECTOR-TAX COLLECTOR TO EXECUTE A PAYING AGENT AGREEMENT AND FORMALLY DIRECTING THE COUNTY AUDITOR AND CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL FOR THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT 2021 GENERAL OBLIGATION REFUNDING BONDS

FISCAL IMPACT

The 2021 Series E GO Bonds and 2021 GO Refunding Bonds will be general obligations of the District to be paid from ad valorem property taxes levied within the boundaries of the San Dieguito Union High School District, and do not constitute an obligation of the County.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Debt Advisory Committee, composed of the Assistant Chief Administrative Officer, Deputy Chief Administrative Officer/Chief Financial Officer, the Auditor and Controller, and the Treasurer – Tax Collector, concurs with this recommendation.

BACKGROUND

The District

The San Dieguito Union High School District (the “District”) consists of approximately 85 square miles of territory in the northern portion of the County of San Diego (the “County”), California (the “State”). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates five comprehensive middle schools for grades seven through eight, and four comprehensive high schools for grades nine through twelve. The District also offers a continuation high school with

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an alternative education program for grades nine through twelve. Enrollment in the District for grades seven through twelve was 13,177 students in the 2019-20 school year.

Authority for Issuance

The 2021 Series E GO Bonds and 2021 GO Refunding Bonds would be issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, applicable provisions of the Education Code and other applicable State law, and pursuant to the resolution adopted by the District Board on April 22, 2021.

Purpose of Issuance

Proceeds of the 2021 Series E GO Bonds will be used for purposes specified in the Proposition AA Authorization which includes: to provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities.

Proceeds of the 2021 GO Refunding Bonds will be used to refund all or a portion of the District's outstanding San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 ("Series B-2 Bonds"). The proceeds of the Series B-2 Bonds were used for purposes specified in Proposition AA Authorization.

Sale of the Bonds

Pursuant to the District Resolutions, the Bonds shall be sold as current interest bonds at a negotiated sale pursuant to terms and conditions set forth in the related Purchase Agreement, a form of which has been approved by the District Board. Authorized officers of the District may determine the principal amount of the 2021 Series E GO Bond and the 2021 GO Refunding Bonds and have been authorized to enter into and execute the Purchase Agreement so long as certain conditions, e.g., maximum principal, maximum costs of issuance, and maximum underwriter's discount, are satisfied.

Repayment of the Bonds

The 2021 Series E GO Bonds and the 2021 GO Refunding Bonds represent general obligations of the District payable solely from certain property taxes levied within its boundaries. The Board of Supervisors of the County of San Diego has the power and is obligated to annually levy ad valorem taxes upon all property subject to taxation within the boundaries of the District without limitation of rate or amount, for the payment of the principal and interest on the 2021 Series E GO Bonds and the 2021 GO Refunding Bonds as such becomes due and payable.

Role of the County of San Diego

The County Treasurer-Tax Collector is appointed to act as Paying Agent pursuant to the District Resolution, and today's recommendation will authorize the Treasurer-Tax Collector to enter into a Paying Agent Agreement and Investment Management Agreement with the District. The Auditor and Controller's Office annually calculates the amount of taxes to be levied to meet the debt service requirement and develops the tax rates for approval by the Board of Supervisors.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed recommendation supports the Sustainable Environments/Thriving and Operational Excellence Strategic Initiatives in the County of San Diego's 2021-2026 Strategic Plan by supporting San Dieguito Unified High School District's objective of improving the quality of education for students through improvements to the District's facilities and effectively managing its bond program.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

1. County Resolution – 2021 Series E GO Bonds
2. County Resolution – 2021 GO Refunding Bonds
3. Form of Paying Agent Agreement – 2021 Series E GO Bonds
4. Form of Paying Agent Agreement – 2021 GO Refunding Bonds
5. Investment Management Agreement – 2021 Series E GO Bonds
6. District Resolution – 2021 Series E GO Bonds
7. District Resolution – 2021 GO Refunding Bonds

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

May 8, 2018 (9), San Dieguito Union High School District 2018 General Obligation Bonds, (Election of 2012), Series D-1 and Series D-2 (Districts: 3 & 5); June 21, 2016 (21), San Dieguito Union High School District General Obligations Bonds, Election of 2012, Series 2016 (Districts: 3 & 5); April 7, 2015 (18) San Dieguito Union High School District General Obligations Bonds, Election of 2012, Series 2015 (Districts: 3 & 5); February 26, 2013 (6) San Dieguito Union High School District 2013 General Obligations Bonds, Election of 2012 (Districts: 3 & 5)

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Finance and General Government Group

OTHER CONCURRENCE(S): Debt Advisory Committee

CONTACT PERSON(S):

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