

March 2022

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

## SK LRF Planning Recommendations: **REBUILDING SK SCHOOLS** **DRAFT**

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## **1. Executive Summary**

The South Kitsap School District Long Range Facility Planning Team was formed and commissioned by the South Kitsap School District January 2021. The SK LRFP Team is comprised of Citizens of South Kitsap School District: Chair: Lee Fenton, Vice Chair: Rick Prentice, Secretary: Gerry Austin, and Team Members: Susan Whitford, Jeremy Kallstrom, Jennifer Haro, Matt Murphy, Lance Yohe, Steve Bonwich.

The Mission of the South Kitsap School District Long Range Facility Planning Advisory Committee is to consider, develop and recommend priorities for the physical needs of the District; as well as considering and recommending Bond and Capital Levy Improvements. The Scope of our work is to be summarized within the following framework: 5 years, 10 years, 25 years, 50 years.

The Team has met consistently throughout 2021-2022 and has regularly reported to the School Board on our progress. We gathered and reviewed extensive data including: 1) Site visits (including discussions with Principal and School Staff at each facility), 2) District Personnel input (regarding educational vision and condition of facilities), 3) Financial Analysis information, 4) Future growth and enrollment projections, and 5) Third party facility and building systems evaluations. Our Team discussed, prioritized, and developed scenarios utilizing this data and information. The SK LRFP Team offers the following Recommendations for School Board Review.

In summary, most facilities need Replacement or Major Modernization due to current conditions to improve aspects of safety, functionality, and educational effectiveness. All K-12 facilities are eligible for OSPI construction assistance due to the building age and condition. The newest facilities are 30 to 40 years old (minimum) while most facilities are in the 50-to-60-year range (or more), all without major modernization history. Our Team has prioritized educational facilities as top priority, with support facilities a close second. Since most facilities have significant needs, our Team remains challenged to leave any facility out of our initial recommendation. Building for growth has been considered but is not the top priority of this recommendation right now.

Presently there is one available site for expansion, the 50-acre "Old Clifton Site" (on the west side of Hwy 16). The sequence of rebuilding and modernizing District facilities may strategically utilize development of this site, for most effective sequencing of project construction and development. Our Team is interested in retaining the status of our District as a "One High School" District. We may, however, see growth in the future that will require a second High School due to increasing enrollment or other variables. This should be factored into long term plans for development of this and other sites. There also should be considerations for consolidation of facilities or reorganization of support and educational facilities at these following sites: EPO/Transportation and District Office, Orchard Heights/Discovery, and Cedar Heights.

**IN SUMMARY, WE RECOMMEND A COMPREHENSIVE APPROACH TO REBUILD/MODERNIZE ALL SK SCHOOLS AND SUPPORT FACILITIES**

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**2. Assessment of All South Kitsap Facilities**

**School Facilities:**

***Summary***

*7 of 16 Educational Facilities are in need of Replacement or Major Modernization. This level of District Wide need is continued evidence of a long gap in the cycle of District Bonds being approved. The last significant Bond that was approved dealt with expansion of the District by adding 3 new Elementary Schools in 1988. The District has failed 8 Bonds since. Most if not all those bonds considered adding a second High School to the District.*

**Replacement:**

Cedar Heights Middle School  
South Colby Elementary School  
Olalla Elementary School  
Orchard Heights Elementary School  
Discovery High School  
Explorer High School

**Major Modernization/Additions/Replacement:**

South Kitsap High School

**Medium Modernization:**

Burley Glenwood Elementary School  
Manchester Elementary School  
East Port Orchard Elementary School  
John Sedgwick Middle School  
Marcus Whitman Middle School

**Minor Modernization:**

Sunnyslope Elementary School  
Hidden Creek Elementary School  
Mullenix Ridge Elementary School  
Sidney Glen Elementary School

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**Support Facilities:**

***Summary***

*3 of 4 Support Facilities need Replacement. This level of District Wide need is representative of Support Facilities being utilized way past their intended useful Facility life. Also, the facilities being utilized as District Office and Food and Nutrition Services were not originally designed for their present use.*

**Replacement:**

District Office  
Transportation Facility  
Food and Nutrition Services Facility

**Minor Modernization:**

Maintenance and Operations Facility

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**3. Consideration of New Facilities**

**School Facilities:**

***Summary***

*New Facility Scenario Considerations for expansion are not the top priority of our team at this point. Enrollment decline has our group still considering expansion facilities as a need, but more for the future, not the present. However, there was discussion about adding capacity to replace portables at many District Facilities. This may be implemented thru expansion of District wide capacity by building replacement projects slated larger than presently allocated for occupancy.*

*Another new facility rose to the top of our discussions, which would expand on CTE programs at the present South Kitsap High School, with an environmental/maritime or possibly aviation focus. This facility is termed South Kitsap HS Extension or “Pathways” Building. Our Team feels this facility could be a stand-alone addition to SKHS, potentially on a different nearby site. Students at this facility would be part of the SKHS enrollment. This facility may also be cojoined with Discovery and Explorer programs as they are slated for replacement.*

**School Facilities:**

- South Kitsap HS Extension (or “Pathways”) Building
- Growth Elementary School
- Alternative Build Facilities:
  - K-8 School
  - 6-12 School
  - 2<sup>nd</sup> High School

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**4. South Kitsap Facility Improvement Priorities**

**Summary**

*School Facilities were identified (unanimously) as the Highest Priority. Support Facilities were identified as a secondary priority. The top priority projects are listed below, roughly in order of importance/priority. Approach to development of these priority projects is another important decision. An initial approach is laid out below.*

**School Facilities**

1. Cedar Heights Replacement
2. South Colby Elementary School Replacement
3. Olalla Elementary School Replacement
4. South Kitsap High School Modernization/Expansion/Replacement. Including New Extension “Pathways” Facility
5. Explorer Academy and Discovery School Building Replacement
6. Orchard Heights Elementary School Replacement
7. District Wide HVAC Improvements
8. District Wide Site Circulation (Parking and Arrival) Improvements
9. District Wide Safety and Security Improvements
10. District Wide Technology Improvements

**Support Facilities**

11. District Office Replacement
12. Food and Nutrition Services Replacement
13. Transportation Building Replacement

**Approach**

The Team also discussed various approaches to moving forward. There was a slight preference to moving forward with a “Big First Step” vs a “Small First Step”, however no clear priority was determined, and our Team felt this discussion needs broader input from District Leadership and the School Board. It is the opinion of our Team that if such a “Big First Step” is considered, there may be required adjustments to EPO Levy sums presently being collected, or planned in the near future.

***Our Team did feel quite strongly that time for discussion, Community input, and better definition and refinement of the projects would be a necessary step for success of such a large potential ask of our South Kitsap Community. This may include expert consulting for design development, cost estimating as well as marketing a plan within the Community.***

**5. Stage One Scenario: RECOMMENDED- Impact All Facilities (First 30 Years)**

**Summary**

*The Team feels that identifying all the sites throughout the District in the first wave of improvements would be an ideal approach. This leaves no project left behind. We feel that this will be costly for an overall bill but would be a preferable approach to not considering some projects initially (since it has been so long since improvements have been made). A “Big First Step” all-inclusive Bond should be delayed until 2023 at the earliest so that necessary due diligence planning, and feasibility steps can be taken.*

*Additionally, in the meantime (if it is critical to continue the levy tax base moving forward), the District could reinvest in the Capital Levy Model for 1 year as an extension of the existing Capital Levy, with a focus on Technology, (specifically 1 to 1 device for each student). This would time nicely with the Bond delay to 2023 and would give time for the District to adequately pre-plan the projects proposed in the Bond (as noted above in Priority of Approach).*

**\*\*DISCLAIMER\*\***

***The following cost summaries utilize cost modeling derived from OSPI averages per APPENDIX 1. They are not accurate cost estimates and should not be relied upon for anticipated project development or construction costs. We have utilized this tool to wrap are arms around to the broad magnitude of the proposed projects only.***

**1. OPTION A: 1 Year Tech Levy Then Big Bond**

**a. One Year Capital Levy in November 2022 for \$5 Million:**

**\$5 Million** for Technology Improvements (or critical improvements?)

**b. Thirty Year Bond in Feb-Nov 2023 for \$447 Million, \$532 Mill Tot Project with State Match:**

**\$81 Million** for Cedar Heights Middle School Replacement at Old Clifton Site  
+\$12-13 Million State Matching Funds: **\$93 Million**

**\$45 Million** for South Colby Elementary School Replacement at Existing Site  
+\$4-5 Million State Matching Funds: **\$49 Million Total Project Cost**

**\$42 Million** for Olalla Elem Sch Repl at Exist Site (Poss K-8, or combine w/ BG?)  
+\$7 Million State Matching Funds: **\$49 Million Total Project Cost**

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**\$128 Million** for Full Mod/Add/Replacement of SKHS at Exist Site  
+\$44-45 Million State Matching Funds: **\$172 Million Total Project Cost**

**\$34 Million** for Pathways/Discovery/Explorer/District Office Expansion and Replacement at Cedar Site (or EPO Site?)  
+\$6-7 Million State Matching Funds: **\$40 Million Total Project Cost**

**\$46 Million** for Orchard Heights Elementary School Replacement at Exist Site  
+\$12-13 Million State Matching Funds: **\$58 Million Total Project Cost**

**\$27 Million** for Transportation/Food Service Facility Replacement at Orchard Heights Site (or Cedar Site?)

**\$44 Million** for Miscellaneous upgrades (Primarily HVAC) at the following sites:

- Burley Glenwood Elementary School
- Manchester Elementary School
- East Port Orchard Elementary School
- Orchard Heights Elementary School
- Sidney Glen Elementary School
- Mullenix Ridge Elementary School
- Hidden Creek Elementary School
- Sunnyslope Elementary School
- John Sedgwick Middle School
- Marcus Whitman Middle School
- Other District Wide Improvements

**METRICS:**

**1 Year Tech Levy (2023): \$.46/thousand**

**30 Year Capital Bond (2024-2049): \$1.70/thousand**



**6. Stage Two Scenarios ( 30-50 Years from Now)**

**Summary**

*The Team feels that planning for a future step 30 years out is almost impossible, due to so many factors that would affect such a plan. However, to complete the task given to us, we promote a secondary future step that would either:*

- 1) address growth needs, or*
- 2) continue to address rebuilding... or most likely some combination of both.*

**\*\*DISCLAIMER\*\***

***The following cost summaries utilize cost modeling derived from OSPI averages per APPENDIX 1. They are not accurate cost estimates and should not be relied upon for anticipated project development or construction costs. We have utilized this tool to wrap are arms around to the broad magnitude of the proposed projects only.***

**OPTION A: Future Replacement Bond: GROWTH Option**

**Thirty Year Capital Bond in February 2050-2053 for \$670 Million:**

- \$20 Million Property Purchase for Future/Now Expansion or Growth
- \$350 Million for New 2<sup>nd</sup> Comprehensive High School at Old Clifton (or Undetermined Site)
- \$100 Million for Growth Elementary at Old Clifton (or Undetermined Site)
- \$100 Million for Elementary Replacement at Burley Glenwood Site
- \$100 Million for Additional Modernization Improvement Projects District Wide

**METRICS:**

**25 Year Capital Bond (2050-2075): \$???:/thousand**

**OPTION B: Future Replacement Bond: REBUILD Option**

**Thirty Year Capital Bond in February 2050-2053 for \$780 Million:**

- \$100 Million for Elementary Replacement at EPO Site
- \$100 Million for Elementary Replacement at Manchester Site
- \$100 Million for Elementary Replacement at Sunnyslope Site
- \$180 Million for Elementary Modernization at:
  - Hidden Creek Site
  - Mullenix Ridge Site
  - Sidney Glen Site
- \$200 Million for Middle School Modernization at:

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John Sedgwick Site  
Marcus Whitman Site  
\$100 Million for Additional Modernization Improvement Projects District Wide

**METRICS:**

**25 Year Capital Bond (2050-2075): \$??\$/thousand**

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**7. FINANCIAL MODEL of OPTIONS A-D**

**Summary**

*The following financial metrics are just a broad guesstimate of what the actual tax sum may be for the recommended and optional scenarios. None of them have been accurately calculated, they are just broad-brush attempts to give comparative long term views of potential tax implications. There also are suggested EPO adjustments that may not be the desire of the School District moving forward, but we feel as a Team are worthy of consideration to better balance the tax bill towards facilities in the future.*

South Kitsap School District Levy and Bond Financing Model

|   | 2022 | 2023 | 2024 | 2025  | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 |      |      |      |
|---|------|------|------|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Present Capital Levy Debt                   | 0.49 |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| EP and O (Assume 4 year cycles)             | 2.37 | 2.37 | 1.75 | 1.75  | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 |      |      |      |
| Present Rate                                | 2.86 |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|   |      |      |      | ** If not, all scenarios increase by \$.62/year |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 1A. 1 yr Levy then Big Bond                 |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 1 Year Tech Levy                            | Plan | 0.46 |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 30 Year Bond                                | Plan | Plan | 1.70 | 1.70  | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |      |      |      |
| Total Rate 1a                               |      | 2.86 | 2.83 | 3.45  | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 1.75 | 1.75 | 1.75 |      |
| 1B. 2 yr Levy then Med Big Bond             |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2 Year Levy                                 | Plan | 1.23 | 1.23 |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 25 Year Bond                                | Plan |      |      | 1.40  | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |      |      |
| Total Rate 1B                               |      | 2.86 | 3.60 | 2.98  | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 |      |      |
| 1C. Small Bond then 4 yr Levy then Med Bond |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 20 Year Bond                                | Plan | 0.54 | 0.54 | 0.54  | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 |      |      |
| 4 Year Levy                                 |      |      | Plan | 1.10  | 1.10 | 1.10 | 1.10 |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 20 Year Bond                                |      |      |      |   |      |      |      | Plan | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |      |
| Total Rate 1C                               |      | 2.86 | 2.91 | 2.29  | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 |      |      |
| 1D. 2 yr Levy or Med Big Bond               |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2 Year Levy OR                              |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 30 Year Bond (Assume Bond)                  | Plan | 1.40 | 1.40 | 1.40  | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |      |      |
| Total Rate 1D                               |      | 2.86 | 3.77 | 3.15  | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 1.75 | 1.75 | 1.75 |
| 2. Future Bond Options                      |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2D to 30 Year Bond                          |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Total Rate 2a                               |      |      |      |   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |

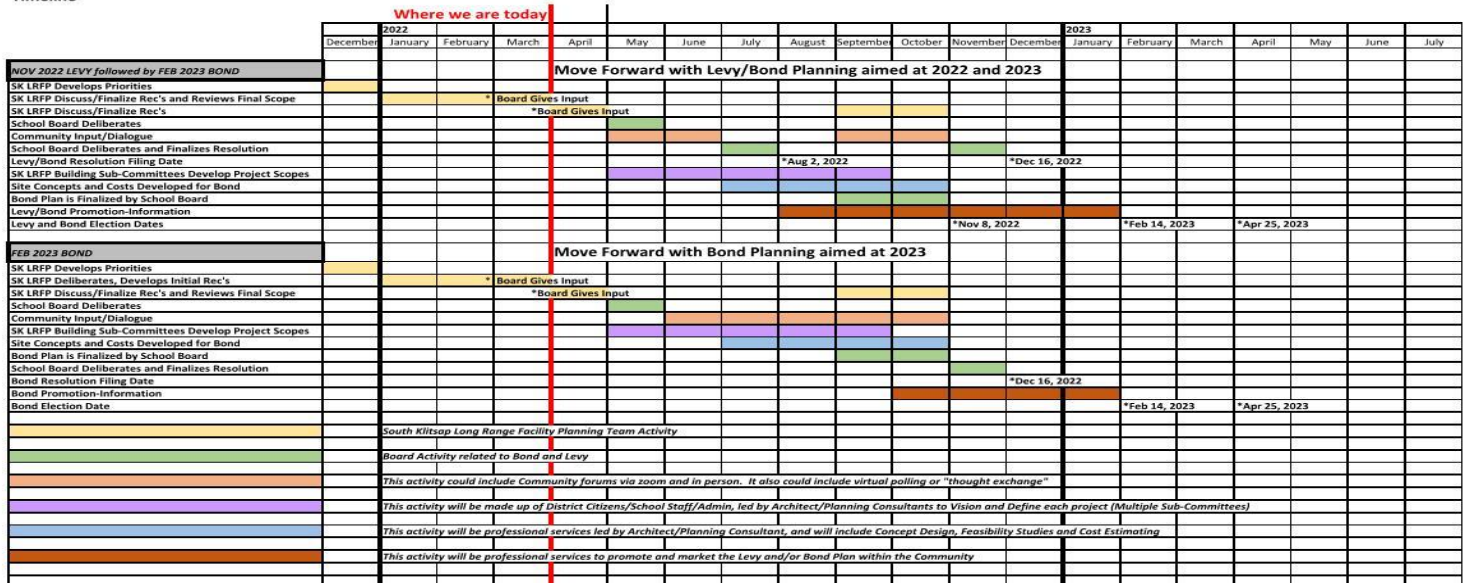
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**8. TIMELINE for PRE-BOND DEVELOPMENT**

**Summary**

*The Team feels there is a very important sequence of necessary due-diligence steps prior to endeavoring in to such a potential large Bond in the Community. Included in this process would be a robust level of Community input and participation. Also, more detailed visioning and programming of educational spaces and needs for each facility would need to occur. Likely, a group of planning professionals should be brought on board to assist the School District in advancing the models we are proposing. There also would be necessary concept development, feasibility studies, and cost estimating to assure the Community of the intended scope and costs ahead. Once this is done, the important step of public outreach and marketing such a large plan would be vital to success, in our opinion. Below is a simple diagram of these potential steps in a timeline leading up to the Levy and Bond timeframe windows.*

SK LRFP Advisory Team  
 Timeline



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APPENDIX 1

**Average Cost of School Construction in Washington State from OSPI**

**New Construction (2021 State Avg costs vary between \$418-\$472/SF)**

\$450/SF Hard Costs assumption (Construction)

40% Soft Costs (Project Development)

**\$630/SF**

**Modernization (2021 State Avg costs vary between \$267-\$472/SF)**

\$370/SF Hard Costs assumption (Construction)

40% Soft Costs (Project Development)

**\$518/SF**

2022 SKSD State Funding Allowance:  $\$247/\text{sf} \times 57.11\% \times 1.12 = \mathbf{\$158/SF}$

$158/630 = \mathbf{25\%}$

$158/518 = \mathbf{30\%}$

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**Statewide Average Square Foot Cost for Construction at Time of Bid**

**Design-Bid-Build Projects:**

Square foot costs are based on the awarded contract amount for construction at time of bid and do not reflect final construction cost.

**GC/CM – General Contractor/Construction Manager Projects:**

Included is both the average square foot cost for construction at time of MACC negotiation and at final negotiated Guaranteed Maximum Price and may not reflect final construction cost.

**All Projects:**

Square foot costs represent state recognized cost of construction. The costs do not include construction costs for off-site work, hazardous waste abatement/asbestos removal (unless part of an eligible modernization project) and demolition of existing building. Square foot costs, at the time of bid, reflect only "hard costs" (brick and mortar) and any reported site costs.

Not included in square foot costs are soft costs like furnishings, equipment, design fees, sales tax in excess of 7.0% allowance, permit fees, and any contingencies.

**Note:** All square foot costs in the tables below include 7.0% sales tax.

**SUMMARY OF SQUARE FOOT COST FOR CONSTRUCTION  
 PROJECTS BID 2015-2021**

|                | <i>New Construction</i> |          | <i>Modernization</i>    |          | <i>Includes both</i> |                 | <i>New &amp; Modernization</i> |          | <i>Projects</i> |
|----------------|-------------------------|----------|-------------------------|----------|----------------------|-----------------|--------------------------------|----------|-----------------|
|                | <u>DESIGN-BID-BUILD</u> |          | <u>DESIGN-BID-BUILD</u> |          | <u>GCCM/MACC</u>     | <u>GCCM/GMP</u> |                                |          |                 |
|                | AVERAGE SQ. FT.         |          | AVERAGE SQ. FT.         |          | AVERAGE SQ. FT.      | AVERAGE SQ. FT. |                                |          |                 |
|                | COST BASED ON           | NO. OF   | COST BASED ON           | NO. OF   | COST BASED           | COST BASED      |                                | NO. OF   |                 |
| <b>YEARS</b>   | CONTRACT AWARD          | PROJECTS | CONTRACT AWARD          | PROJECTS | ON MACC              | ON GMP/GCC/TCC  |                                | PROJECTS |                 |
| <b>2015-16</b> | \$304.91                | 15       | \$242.44                | 9        | \$327.41             | \$351.93        |                                | 11       |                 |
| <b>2016-17</b> | \$325.04                | 24       | \$190.08                | 10       | \$303.93             | \$338.49        |                                | 13       |                 |
| <b>2017-18</b> | \$373.01                | 27       | \$249.21                | 19       | \$382.83             | \$425.84        |                                | 6        |                 |
| <b>2018-19</b> | \$387.61                | 25       | \$274.96                | 9        | \$397.09             | \$446.27        |                                | 29       |                 |
| <b>2019-20</b> | \$375.90                | 23       | \$203.64                | 7        | \$412.11             | \$469.74        |                                | 20       |                 |
| <b>2020-21</b> | \$418.28                | 17       | \$267.79                | 15       | \$472.29             | \$521.89        |                                | 13       |                 |

March 2022

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

APPENDIX 2

**Project Cost Models for 2023 Bond**

**Urgent HVAC/Site/Building Improvements at:**

|                                     |              |
|-------------------------------------|--------------|
| Burley Glenwood Elementary School   | \$1,600,000  |
| Manchester Elementary School        | \$1,200,000  |
| East Port Orchard Elementary School | \$ 900,000   |
| Orchard Heights Elementary School   | \$3,000,000  |
| Sidney Glen Elementary School       | \$ 600,000   |
| Mullenix Ridge Elementary School    | \$ 500,000   |
| Hidden Creek Elementary School      | \$ 500,000   |
| Sunnyslope Elementary School        | \$ 800,000   |
| John Sedgwick Middle School         | \$3,100,000  |
| Marcus Whitman Middle School        | \$3,100,000  |
| Other District Wide Improvements    | \$10,000,000 |

|                  |              |
|------------------|--------------|
| Subtotal         | \$25,300,000 |
| Soft Costs x .40 | \$10,120,000 |

\$35,420,000

|              |            |       |                     |
|--------------|------------|-------|---------------------|
| 2022         | Escalation | x1.05 |                     |
| 2023         | Escalation | x1.05 |                     |
| 2024         | Escalation | x1.05 |                     |
| 2025         | Escalation | x1.05 | \$43,053,231        |
| <b>Total</b> |            |       | <b>\$44,000,000</b> |

**Cedar Heights Middle School Replacement (Assume 125,000 SF)**

|                      |   |
|----------------------|---|
| Total Area:          | \$630/SF x 125,000 SF = \$78,750,000            |
| Less Matchable Area: | <del>-\$158/SF x 80,000 SF = \$12,640,000</del> |
| Subtotal             | \$66,110,000                                    |

|              |            |       |                     |
|--------------|------------|-------|---------------------|
| 2022         | Escalation | x1.05 |                     |
| 2023         | Escalation | x1.05 |                     |
| 2024         | Escalation | x1.05 |                     |
| 2025         | Escalation | x1.05 | \$80,357,118        |
| <b>Total</b> |            |       | <b>\$81,000,000</b> |

March 2022

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
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**South Colby Elementary School Replacement (Assume 65,000 SF)**

|                      |            |  |                     |
|----------------------|------------|--|---------------------|
| Total Area:          |            | \$630/SF x 65,000 SF = \$40,950,000            |                     |
| Less Matchable Area: |            | <del>-\$158/SF x 30,000 SF = \$4,740,000</del> |                     |
|                      | Subtotal   |  | \$36,210,000        |
| 2022                 | Escalation | x1.05  |                     |
| 2023                 | Escalation | x1.05  |                     |
| 2024                 | Escalation | x1.05  |                     |
| 2025                 | Escalation | x1.05  | \$44,013,481        |
| <b>Total</b>         |            |  | <b>\$45,000,000</b> |

**Olalla Elementary School Replacement (Assume 65,000 SF)**

|                      |            |  |                     |
|----------------------|------------|--|---------------------|
| Total Area:          |            | \$630/SF x 65,000 SF = \$40,950,000            |                     |
| Less Matchable Area: |            | <del>-\$158/SF x 44,000 SF = \$6,952,000</del> |                     |
|                      | Subtotal   |  | \$33,998,000        |
| 2022                 | Escalation | x1.05  |                     |
| 2023                 | Escalation | x1.05  |                     |
| 2024                 | Escalation | x1.05  |                     |
| 2025                 | Escalation | x1.05  | \$41,324,782        |
| <b>Total</b>         |            |  | <b>\$42,000,000</b> |

**South Kitsap High School Addition/Modernization/Replacement (Assume 280,000 SF)**

|                         |            |  |                      |
|-------------------------|------------|--|----------------------|
| Total Area MOD:         |            | \$518/SF x 245,000 SF = \$126,910,000            |                      |
| Total Area ADD/REPLACE: |            | \$630/SF x 35,000 SF = \$22,050,000              |                      |
| Less Matchable Area:    |            | <del>-\$158/SF x 280,000 SF = \$44,240,000</del> |                      |
|                         | Subtotal   |  | \$104,720,000        |
| 2022                    | Escalation | x1.05  |                      |
| 2023                    | Escalation | x1.05  |                      |
| 2024                    | Escalation | x1.05  |                      |
| 2025                    | Escalation | x1.05  | \$127,287,814        |
| <b>Total</b>            |            |  | <b>\$128,000,000</b> |

**New Pathways HS incl Discovery and Explorer, with Dist Office (Assume 55,000 SF)**

|                               |  |                                    |  |
|-------------------------------|--|------------------------------------|--|
| Pathways HS 25,000 SF         |  |                                    |  |
| Discovery HS: 12,000 SF       |  |                                    |  |
| Explorer Academy: 8,000 SF    |  |                                    |  |
| District Office: 10,000 SF    |  |                                    |  |
| Total Non-Matchable New Area: |  | \$630/SF x 10,000 SF = \$6,300,000 |  |



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South Kitsap School District  
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|                           |            |          |       |  |
|---------------------------|------------|----------|-------|--|
| Total Matchable New Area: |            |          |       | \$630/SF x 45,000 SF = \$28,350,000            |
| Less Matchable Area:      |            |          |       | <del>-\$158/SF x 45,000 SF = \$7,110,000</del> |
|                           |            | Subtotal |       | \$27,540,000                                   |
| 2022                      | Escalation |          | x1.05 |  |
| 2023                      | Escalation |          | x1.05 |  |
| 2024                      | Escalation |          | x1.05 |  |
| 2025                      | Escalation |          | x1.05 | \$33,475,042                                   |
| <b>Total</b>              |            |          |       | <b>\$34,000,000</b>                            |

**Orchard Heights Elementary School Replacement (Assume 80,000 SF)**

|                      |            |          |       |   |
|----------------------|------------|----------|-------|---|
| Total Area:          |            |          |       | \$630/SF x 80,000 SF = \$50,400,000             |
| Less Matchable Area: |            |          |       | <del>-\$158/SF x 80,000 SF = \$12,640,000</del> |
|                      |            | Subtotal |       | \$37,760,000                                    |
| 2022                 | Escalation |          | x1.05 |   |
| 2023                 | Escalation |          | x1.05 |   |
| 2024                 | Escalation |          | x1.05 |   |
| 2025                 | Escalation |          | x1.05 | \$45,897,516                                    |
| <b>Total</b>         |            |          |       | <b>\$46,000,000</b>                             |

**Transportation/Food Service Facility (Assume 35,000 SF)**

|              |            |          |       |                                     |
|--------------|------------|----------|-------|-------------------------------------|
| Total Area:  |            |          |       | \$630/SF x 35,000 SF = \$22,050,000 |
|              |            | Subtotal |       | \$22,050,000                        |
| 2022         | Escalation |          | x1.05 |                                     |
| 2023         | Escalation |          | x1.05 |                                     |
| 2024         | Escalation |          | x1.05 |                                     |
| 2025         | Escalation |          | x1.05 | \$26,801,912                        |
| <b>Total</b> |            |          |       | <b>\$27,000,000</b>                 |

\*For Scenario A, Escalation assumes approval of next Levy in Nov 2022, and Bond in 2023.

\*For Alternative Scenario Options, additional escalation applied at 5% per year.

\*For Future Bonds in 2050-2053, the escalation factor is 4%/year compounded.

\*Bond/Levy Rates are guesses/estimates based on past presentations from:

Jennifer Farmer, SKSD Asst Supt, on current Levy Rates and planning calcs  
(See Appendix 3)

Trevor Carlson, Piper Sandler, on 2021 20 year Bond Rates calcs.  
(See Appendix 4)

March 2022

South Kitsap School District  
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**REBUILDING SK SCHOOLS**

APPENDIX 3

**ALTERNATIVE Scenarios- OTHER CONSIDERATIONS: (First 30 Years)**

**OPTION B: 2 yr Levy then Med-Big Bond**

**a. Two Year Capital Levy in November 2022 for \$27 Million:**

\$4 Million for Technology Improvements  
\$23 Million for Urgent HVAC/Site/Building Improvements at:  
Burley Glenwood Elementary School  
Manchester Elementary School  
East Port Orchard Elementary School  
Orchard Heights Elementary School  
Sidney Glen Elementary School  
Mullenix Ridge Elementary School  
Hidden Creek Elementary School  
Sunnyslope Elementary School  
John Sedgwick Middle School  
Marcus Whitman Middle School

**b. Twenty Five Year Capital Bond in February 2025 for \$360 Million:**

\$93 Million for Cedar Heights Middle School Replacement at Old Clifton Site  
\$53 Million for South Colby Elementary School Replacement at Existing Site  
\$50 Million for Olalla Elementary School Replacement at Existing Site (Poss K-8)  
\$138 Million for Full Modernization/Addition/Replacement of South Kitsap High School at Existing Site  
\$26 Million for Pathways Expansion (Incl Discovery and Explorer) of South Kitsap High School at Cedar Site

**METRICS:**

**2 Year Levy (2023-2024): \$1.23/thousand**  
**25 year Capital Bond (2025-2050): \$1.40/thousand**

**OPTION C: Small Bond, then 4 yr Levy, then Medium Bond**

**a. Twenty Year Capital Bond in November 2022 for \$127 Million:**

\$81 Million for Cedar Heights Middle School Replacement  
\$46 Million for South Colby Elementary School Replacement

**b. Four Year Capital Levy in February 2025 for \$40 Million:**

\$5 Million for Technology Improvements

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\$35 Million for Urgent HVAC/Site/Building Improvements at:

Burley Glenwood Elementary School  
Manchester Elementary School  
East Port Orchard Elementary School  
Orchard Heights Elementary School  
Sidney Glen Elementary School  
Mullenix Ridge Elementary School  
Hidden Creek Elementary School  
Sunnyslope Elementary School  
John Sedgwick Middle School  
Marcus Whitman Middle School

**c. Twenty Year Capital Bond in February 2029 for \$248 Million**

\$58 Million for Olalla Elementary School Replacement at Existing Site (Poss K-8)  
\$160 Million for Full Modernization/Addition/Replacement of South Kitsap High School at Existing Site  
\$30 Million for Pathways Expansion of South Kitsap High School at Cedar Site

**METRICS:**

**20 Year Capital Bond (2023-2043): \$.54/thousand**  
**4 Year Capital Levy (2025-2028): \$1.10/thousand**  
**20 Year Capital Bond (2029-2049): \$1.10/thousand**

**OPTION D: 2 yr Levy OR Med-Big Bond**

**a. Two Year Capital Levy in November 2022 for \$27 Million:**

\$4 Million for Technology Improvements  
\$23 Million for Urgent HVAC/Site/Building Improvements at:  
Burley Glenwood Elementary School  
Manchester Elementary School  
East Port Orchard Elementary School  
Orchard Heights Elementary School  
Sidney Glen Elementary School  
Mullenix Ridge Elementary School  
Hidden Creek Elementary School  
Sunnyslope Elementary School  
John Sedgwick Middle School  
Marcus Whitman Middle School

March 2022

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**b. Thirty Year Capital Bond in November 2022 for \$338 Million:**

\$4 Million for Technology Improvements

\$23 Million for Urgent HVAC/Site/Building Improvements at:

Burley Glenwood Elementary School  
Manchester Elementary School  
East Port Orchard Elementary School  
Orchard Heights Elementary School  
Sidney Glen Elementary School  
Mullenix Ridge Elementary School  
Hidden Creek Elementary School  
Sunnyslope Elementary School  
John Sedgwick Middle School  
Marcus Whitman Middle School

\$81 Million for Cedar Heights Middle School Replacement at Old Clifton Site

\$46 Million for South Colby Elementary School Replacement at Existing Site

\$43 Million for Olalla Elementary School Replacement at Existing Site (Poss K-8)

\$119 Million for Full Modernization/Addition/Replacement of South Kitsap High School at Existing Site

\$22 Million for Pathways/Discovery/Explorer Expansion of South Kitsap High School at Cedar Site

**METRICS:**

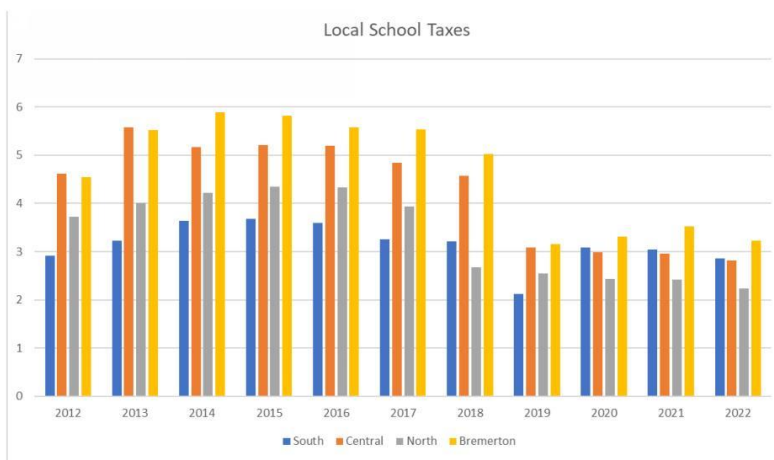
**2 Year Levy (2023-2024): \$1.23/thousand**

**30 Year Capital Bond (2025-2050): \$1.30/thousand**

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
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APPENDIX 4

# Tax Information



South Kitsap 2022  
Local Tax Collection:

Educational  
Programs &  
Operations Levy:  
\$2.37

Capital Levy: \$.49

Total Rate: \$2.86

March 2022

South Kitsap School District  
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APPENDIX 5

PIPER | SANDLER

May 27, 2021



**South Kitsap School  
District No. 402  
Bond Issue Planning**

**Trevor L. Carlson**  
MANAGING DIRECTOR  
Tel: +1 206-628-2890  
Email: trevor.carlson@psc.com

MINNEAPOLIS | ATLANTA | BOISE | CHICAGO | HOUSTON | KANSAS CITY | LONDON | LOS ANGELES | MEMPHIS | NEW YORK | OMAHA | PHILADELPHIA | PHOENIX | PORTLAND | SAN FRANCISCO | SEATTLE

March 2022

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Long Range Facility Planning Team Recommendation:  
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## Industry-Leading Public Finance Franchise

National Platform, Regional Expertise

**PIPER SANDLER CONSISTENTLY RANKS AMONG THE NATION'S LEADING UNDERWRITERS.**

**IN 2020, WE RANKED NO. 3 AND NO. 7 BY NUMBER OF SENIOR MANAGED ISSUES AND PAR AMOUNT, RESPECTIVELY.**

Supported by a broad national platform, our expert teams leverage localized knowledge to facilitate the issuance of taxable and tax-exempt debt across a range of sectors:

- State & Local Government
- Healthcare
- Charter Schools
- Higher Education
- K-12 Education
- Housing
- Senior Living
- Transportation
- Non-profits
- Hospitality
- Project Finance

**Our services include:**

- Municipal bond underwriting
- Municipal derivatives and reinvestment products
- Financial advisory
- Private placements



Source: Thomson Reuters, Negotiated and Private Placement, Long-Term Transactions

March 2022

South Kitsap School District  
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## Election Dates

| 2021-2022-2023 Election and Resolution Filing Dates, Under Current Law |                        |  |                    |
|--|------------------------|--|--------------------|
| Election Date  | Resolution Filing Date | Approximate Ballot Mailing Date <sup>(1)</sup> | Certification Date |
| April 27, 2021   | February 26, 2021      | April 9, 2021                                  | May 7, 2021        |
| August 3, 2021   | May 14, 2021           | July 16, 2021                                  | August 17, 2021    |
| November 2, 2021   | August 3, 2021         | October 15, 2021                               | November 23, 2021  |
| February 8, 2022 <sup>(2)</sup>  | December 10, 2021      | January 21, 2022                               | February 18, 2022  |
| April 26, 2022 <sup>(2)</sup>  | February 25, 2022      | April 8, 2022                                  | May 6, 2022        |
| August 2, 2022 <sup>(2)</sup>  | May 13, 2022           | July 15, 2022                                  | August 16, 2022    |
| November 8, 2022 <sup>(2)</sup>  | August 2, 2022         | October 21, 2022                               | November 29, 2022  |
| February 14, 2023 <sup>(2)</sup>                                       | December 16, 2022      | January 27, 2023                               | February 24, 2023  |
| April 25, 2023 <sup>(2)</sup>  | February 24, 2023      | April 7, 2023                                  | May 5, 2023        |
| August 1, 2023 <sup>(2)</sup>  | May 12, 2023           | July 14, 2023                                  | August 15, 2023    |
| November 7, 2023 <sup>(2)</sup>  | August 1, 2023         | October 20, 2023                               | November 28, 2023  |

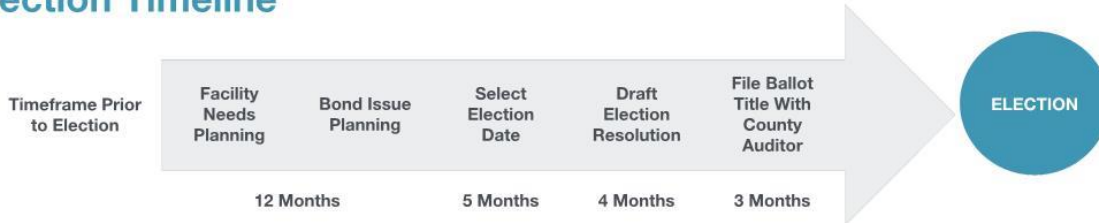
*(1) Ballots are required to be mailed no later than 18 days prior to the election date.*

*(2) Projected dates as of December 2020 and subject to change by legislation.*

March 2022

South Kitsap School District  
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## Election Timeline



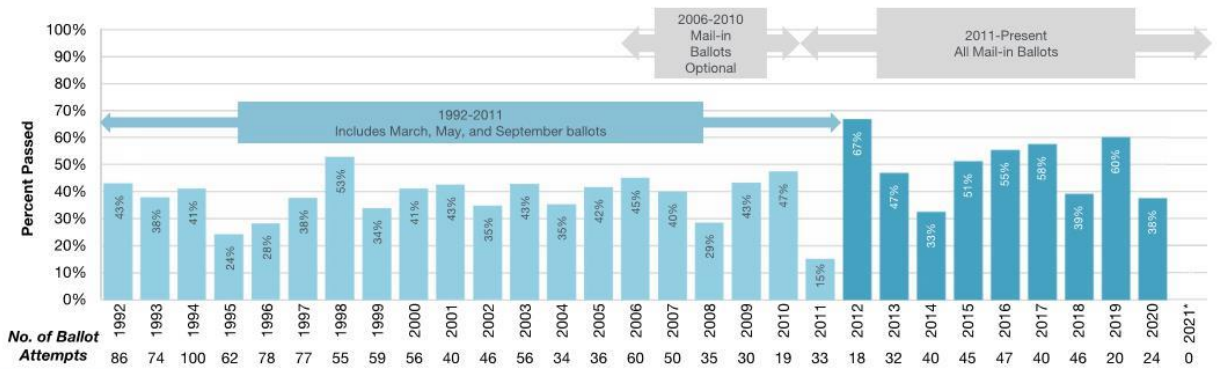
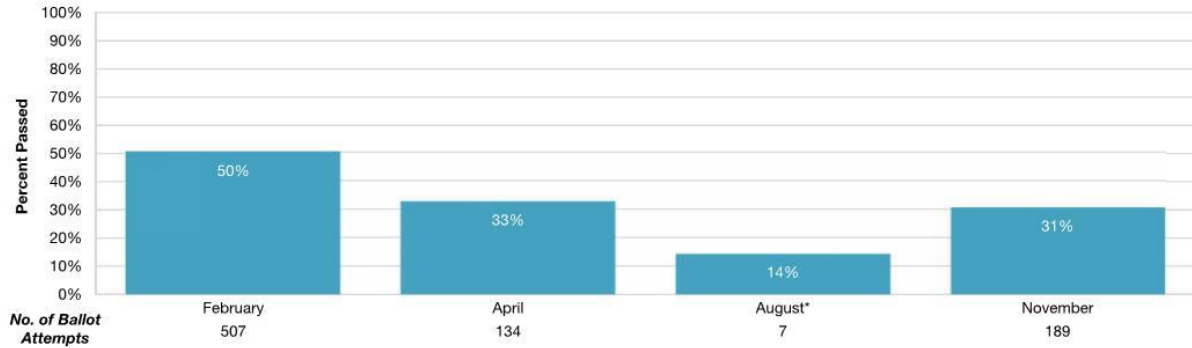
### Calendar Year 2021 Planning Benchmarks for February 8, 2022 Bond Election

|                     |   |
|---------------------|---|
| February - July:    | Facility Committee analysis of projects and community research.   |
| July - August:      | Facility Committee finalizes scope of projects, determines local share cost (i.e., maximum principal amount of bonds) and projected financing plan for bond sales and tax levy rates.                                       |
| August - September: | Upon recommendation of Facilities Committee, the Board finalizes the scope of the project, local share and financing plan, and directs preparation of bond election resolution.   |
| October - November: | Board considers and adopts bond election resolution. Board reviews bond explanatory statement for inclusion in local voters' pamphlet. Board appoints pro/con committee members after adoption of bond election resolution. |
| December 10, 2021:  | Bond election resolution filing deadline with the County Auditor. Bond explanatory statement and pro/con appointments to be filed with the Auditor by this same date.   |
| December 10 - __:   | Within one (1) day of receipt, District administration and bond counsel review draft ballot (and notice of special election) as prepared by Auditor. Challenge allowed within ten (10) days of receipt.                     |
| January 21, 2022:   | Ballots mailed to voters.   |
| February 8, 2022:   | <b>ELECTION.</b>  |
| February 18, 2022:  | Election results certified.   |

South Kitsap School District  
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## Washington State K-12 Bond Election Results

Historically, spring elections have been the most favorable for school bonds.



\*August elections began in 2007.

March 2022

South Kitsap School District  
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## 2020 Washington School Bond Election Results

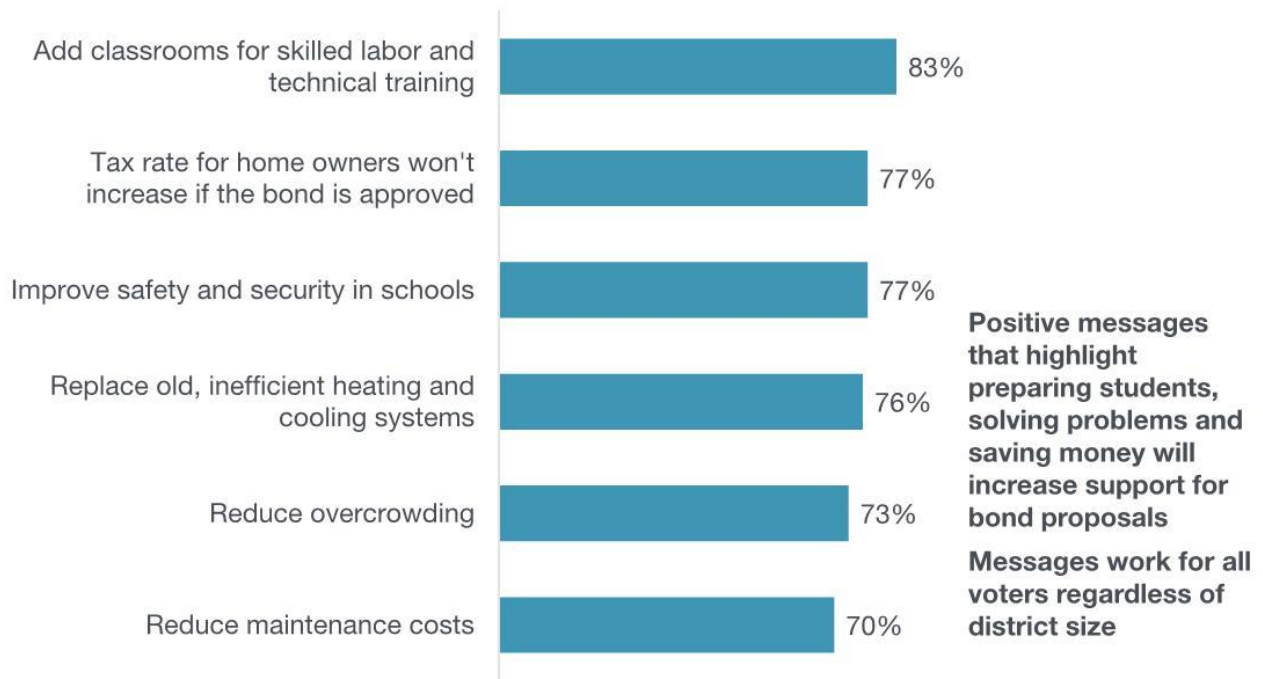
| DATE   | COUNTY       | ISSUER                                     | PAR AMOUNT    | YES    | RESULT |
|--------|--------------|--|---------------|--------|--------|
| Aug-20 | Clark        | Ridgefield School District No. 122         | \$40,465,000  | 50.51% | Failed |
| Aug-20 | Ferry        | Republic School District No. 309           | \$4,500,000   | 56.80% | Failed |
| Aug-20 | Snohomish    | Everett School District No. 2              | \$317,400,000 | 58.78% | Failed |
| Feb-20 | Chelan       | Entiat School District No. 127             | \$6,000,000   | 61.00% | Passed |
| Feb-20 | Clark        | Ridgefield School District No. 122         | \$107,000,000 | 59.19% | Failed |
| Feb-20 | Cowlitz      | Castle Rock School District No. 401        | \$34,700,000  | 51.42% | Failed |
| Feb-20 | Grays Harbor | Aberdeen School District No. 5             | \$46,800,000  | 59.99% | Failed |
| Feb-20 | Grays Harbor | Elma School District No. 068-137           | \$5,560,000   | 56.42% | Failed |
| Feb-20 | Grays Harbor | Oakville School District No. 400           | \$5,600,000   | 65.92% | Passed |
| Feb-20 | King         | Bellevue School District No. 405           | \$675,000,000 | 64.09% | Passed |
| Feb-20 | King         | Riverview School District No. 407          | \$125,000,000 | 53.03% | Failed |
| Feb-20 | Kittitas     | Kittitas School District No. 403           | \$13,200,000  | 62.95% | Passed |
| Feb-20 | Pierce       | Eatonville School District No. 404         | \$4,000,000   | 45.78% | Failed |
| Feb-20 | Pierce       | Sumner-Bonney Lake School District No. 320 | \$205,000,000 | 46.35% | Failed |
| Feb-20 | Pierce       | Tacoma School District No. 10              | \$535,000,000 | 68.57% | Passed |
| Feb-20 | Skagit       | Burlington-Edison School District No. 100  | \$89,000,000  | 48.54% | Failed |
| Feb-20 | Snohomish    | Arlington School District No. 16           | \$71,500,000  | 52.72% | Failed |
| Feb-20 | Snohomish    | Edmonds School District No. 15             | \$600,000,000 | 56.33% | Failed |
| Feb-20 | Snohomish    | Mukilteo School District No. 6             | \$240,000,000 | 60.34% | Passed |
| Feb-20 | Snohomish    | Snohomish School District No. 201          | \$470,000,000 | 46.69% | Failed |
| Feb-20 | Thurston     | North Thurston School District No. 3       | \$275,200,000 | 61.29% | Passed |
| Feb-20 | Thurston     | Rochester School District No. 401          | \$57,490,000  | 56.38% | Failed |
| Feb-20 | Wahkiakum    | Wahkiakum School District No. 200          | \$28,750,000  | 34.49% | Failed |
| Feb-20 | Whitman      | Pullman School District No. 267            | \$15,000,000  | 78.26% | Passed |

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## More Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



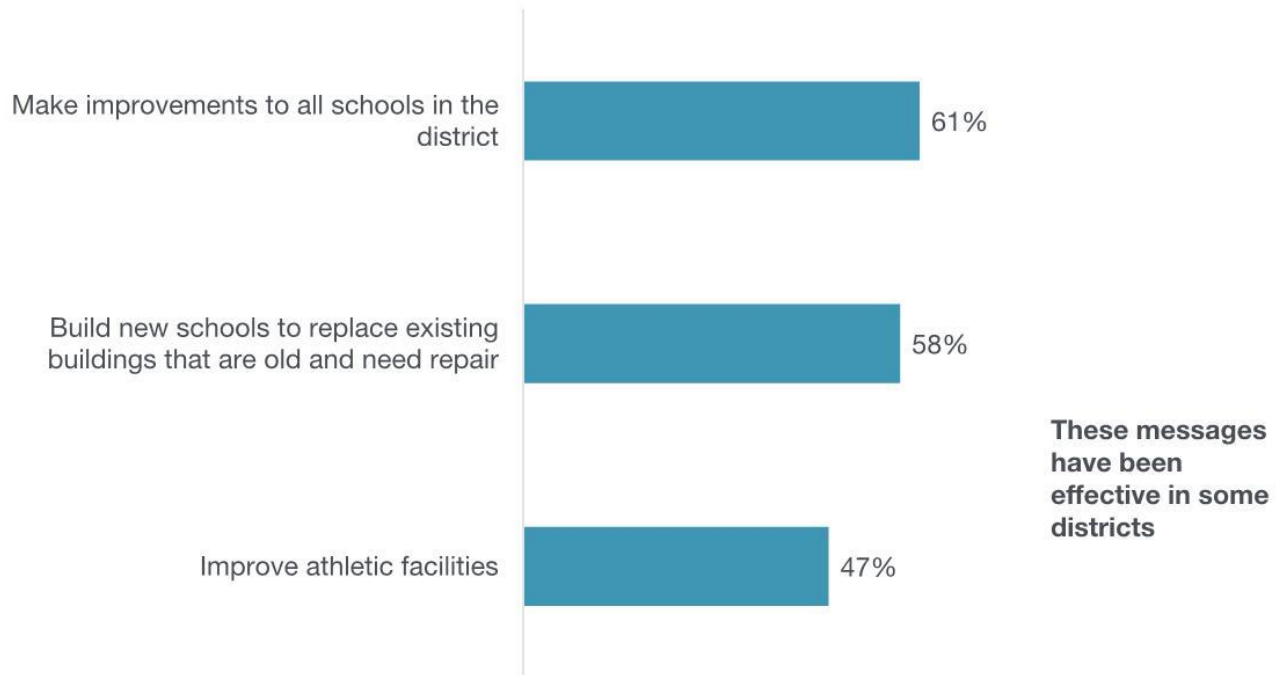
Source: CFM Strategic Communications, 2019 Washington Education Study

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## Less Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



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## South Kitsap School District's Election Results

| Historical Bond Elections |               |        |        |
|---------------------------|---------------|--------|--------|
| Date                      | Par Amount    | % Yes  | Result |
| Nov-18                    | \$184,680,000 | 55.86% | FAILED |
| Feb-17                    | \$172,621,300 | 51.93% | FAILED |
| Apr-16                    | \$126,992,867 | 59.39% | FAILED |
| Feb-16                    | \$126,992,867 | 59.92% | FAILED |
| Mar-07                    | \$163,200,000 | 52.76% | FAILED |
| May-96                    | \$63,780,000  | 37.07% | FAILED |
| May-96                    | \$33,150,000  | 30.76% | FAILED |
| Feb-93                    | \$59,619,000  | 51.20% | FAILED |
| Feb-88                    | \$11,985,000  | 67.31% | PASSED |



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## South Kitsap School District's Election Results

| Historical EP&O Levy Elections |              |              |              |              |        |        |
|--------------------------------|--------------|--------------|--------------|--------------|--------|--------|
| Date                           | 1st Year     | 2nd Year     | 3rd Year     | 4th Year     | % Yes  | Result |
| Feb-21                         | \$27,880,220 | \$30,386,678 | \$33,118,717 | \$36,096,640 | 51.38% | PASSED |
| Feb-17                         | \$24,300,846 | \$24,650,304 | \$25,020,059 | \$25,520,460 | 56.67% | PASSED |
| Feb-13                         | \$22,000,000 | \$22,500,000 | \$22,650,000 | \$22,650,000 | 57.37% | PASSED |
| Feb-09                         | \$16,392,000 | \$16,882,000 | \$17,746,000 | \$19,400,000 | 57.66% | PASSED |
| Feb-05                         | \$12,574,711 | \$13,104,743 | \$13,691,098 | \$14,302,084 | 62.13% | PASSED |
| Feb-01                         | \$10,945,000 | \$11,315,000 | \$11,700,000 | \$12,075,000 | 65.53% | PASSED |
| Apr-00                         | \$10,710,000 | \$11,140,000 | \$11,584,000 | \$12,040,000 | 56.71% | FAILED |
| Feb-00                         | \$10,710,000 | \$11,140,000 | \$11,584,000 | \$12,040,000 | 53.84% | FAILED |
| Apr-98                         | \$9,765,000  | \$10,200,000 | --           | --           | 61.51% | PASSED |
| Feb-98                         | \$9,765,000  | \$10,200,000 | \$10,580,000 | \$11,000,000 | 55.31% | FAILED |
| Apr-97                         | \$7,890,000  | \$8,370,000  | --           | --           | 57.83% | FAILED |
| Feb-97                         | \$7,890,000  | \$8,370,000  | --           | --           | 51.19% | FAILED |
| Feb-95                         | \$8,462,000  | \$8,885,000  | --           | --           | 55.51% | FAILED |
| May-94                         | \$6,667,000  | \$7,200,360  | --           | --           | 56.08% | FAILED |
| Feb-94                         | \$7,196,000  | \$7,772,000  | --           | --           | 54.41% | FAILED |
| Feb-92                         | \$6,173,000  | \$6,667,000  | --           | --           | 67.80% | PASSED |
| Feb-88                         | \$2,816,885  | \$2,877,265  | --           | --           | 68.80% | PASSED |

| Historical Capital Projects Levy Elections |             |             |             |             |          |          |        |        |
|--|-------------|-------------|-------------|-------------|----------|----------|--------|--------|
| Date                                       | 1st Year    | 2nd Year    | 3rd Year    | 4th Year    | 5th Year | 6th Year | % Yes  | Result |
| Nov-18                                     | \$5,263,571 | \$5,368,843 | \$5,476,220 | \$5,585,744 | --       | --       | 57.05% | PASSED |

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## Tax Rate History

| Historical Levy Rates |           |                       |                 |                             |           |         |
|-----------------------|-----------|-----------------------|-----------------|-----------------------------|-----------|---------|
| Year                  | Bond Levy | Capital Projects Levy | Technology Levy | Transportation Vehicle Levy | EP&O Levy | Total   |
| 2001                  | \$ 0.63   | \$ --                 | \$ --           | \$ --                       | \$ --     | \$ 0.63 |
| 2002                  | 0.56      | --                    | --              | --                          | 3.23      | 3.79    |
| 2003                  | 0.31      | --                    | --              | --                          | 3.22      | 3.52    |
| 2004                  | --        | --                    | --              | --                          | 3.16      | 3.16    |
| 2005                  | --        | --                    | --              | --                          | 2.81      | 2.81    |
| 2006                  | --        | --                    | --              | --                          | 2.50      | 2.50    |
| 2007                  | --        | --                    | --              | --                          | 2.10      | 2.10    |
| 2008                  | --        | --                    | --              | --                          | 1.90      | 1.90    |
| 2009                  | --        | --                    | --              | --                          | 2.01      | 2.01    |
| 2010                  | --        | --                    | --              | --                          | 2.50      | 2.50    |
| 2011                  | --        | --                    | --              | --                          | 2.65      | 2.65    |
| 2012                  | --        | --                    | --              | --                          | 2.91      | 2.91    |
| 2013                  | --        | --                    | --              | --                          | 3.22      | 3.22    |
| 2014                  | --        | --                    | --              | --                          | 3.64      | 3.64    |
| 2015                  | --        | --                    | --              | --                          | 3.69      | 3.69    |
| 2016                  | --        | --                    | --              | --                          | 3.59      | 3.59    |
| 2017                  | --        | --                    | --              | --                          | 3.25      | 3.25    |
| 2018                  | --        | --                    | --              | --                          | 3.21      | 3.21    |
| 2019                  | --        | 0.62                  | --              | --                          | 1.50      | 2.12    |
| 2020                  | --        | 0.59                  | --              | --                          | 2.50      | 3.09    |
| 2021                  | --        | 0.54                  | --              | --                          | 2.50      | 3.04    |

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## Comparable Tax Rates

| Kitsap and Mason County School Districts<br>2021 Total Tax Rates |                       |          |             |                  |          |             |
|--|-----------------------|----------|-------------|------------------|----------|-------------|
| District   | Assessed Value        | Bonds    | EP&O        | Capital Projects | Trans.   | Total       |
| Shelton SD No. 309   | \$ 2,369,314,046      | \$ 2.59  | \$ 2.34     | \$ -             | \$ -     | \$ 4.92     |
| Southside SD No. 42  | 271,447,722           | 1.11     | 2.20        | 0.42             | -        | 3.72        |
| Bremerton SD No. 100   | 5,393,165,954         | -        | 2.37        | 1.15             | -        | 3.52        |
| <b>South Kitsap SD No. 402</b>                                   | <b>10,150,599,965</b> | <b>-</b> | <b>2.50</b> | <b>0.54</b>      | <b>-</b> | <b>3.04</b> |
| Central Kitsap SD No. 401  | 10,008,957,915        | 1.46     | 1.50        | -                | -        | 2.96        |
| Pioneer SD No. 402   | 1,789,458,264         | 0.83     | 1.48        | 0.61             | -        | 2.92        |
| Bainbridge SD No. 303  | 9,516,539,300         | 1.09     | 1.03        | 0.49             | -        | 2.62        |
| Hood Canal SD No. 404  | 1,335,917,239         | 0.61     | 0.90        | 0.96             | -        | 2.47        |
| North Kitsap SD No. 400  | 9,414,231,315         | -        | 1.34        | 1.09             | -        | 2.42        |
| Mary M. Knight SD No. 079/311                                    | 250,475,832           | -        | 2.36        | -                | -        | 2.36        |
| Grapeview SD No. 54  | 952,779,548           | 0.97     | 0.73        | -                | -        | 1.71        |
| North Mason SD No. 403   | 2,721,127,464         | 1.08     | -           | -                | -        | 1.08        |

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## Comparable Tax Rates

| Washington School Districts<br>2021 - With Similar Assessed Values |                       |          |             |                  |          |             |
|--|-----------------------|----------|-------------|------------------|----------|-------------|
| District   | Assessed Value        | Bonds    | EP&O        | Capital Projects | Trans.   | Total       |
| Sumner Bonney Lake SD No. 320                                      | \$ 10,453,915,332     | \$ 2.35  | \$ 2.40     | \$ 0.56          | \$ -     | \$ 5.31     |
| Olympia SD No. 111   | 10,636,012,078        | 1.64     | 2.41        | 0.87             | -        | 4.92        |
| Richland SD No. 400  | 9,973,947,997         | 2.00     | 2.46        | 0.41             | -        | 4.87        |
| Snohomish SD No. 201   | 11,210,383,613        | 2.62     | 1.51        | 0.51             | -        | 4.64        |
| Snoqualmie Valley SD No. 410                                       | 10,335,067,809        | 2.35     | 1.54        | 0.46             | -        | 4.36        |
| Marysville SD No. 25   | 10,114,002,863        | 0.90     | 2.50        | 0.61             | -        | 4.01        |
| Central Valley SD No. 356  | 11,184,005,719        | 1.49     | 2.48        | -                | -        | 3.97        |
| Kennewick SD No. 17  | 9,948,260,395         | 1.63     | 1.66        | 0.40             | -        | 3.70        |
| <b>South Kitsap SD No. 402</b>                                     | <b>10,150,599,965</b> | <b>-</b> | <b>2.50</b> | <b>0.54</b>      | <b>-</b> | <b>3.04</b> |
| Central Kitsap SD No. 401  | 10,008,957,915        | 1.46     | 1.50        | -                | -        | 2.96        |
| Bainbridge SD No. 303  | 9,516,539,300         | 1.09     | 1.03        | 0.49             | -        | 2.62        |

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## Overview of Bonds and Capital Projects Levies

Bonds are the primary method used by Washington school districts to finance the “local share” of major capital projects because:

- Cash is generated up front
- Payments can be spread over time
- Districts have some control over taxpayer impacts

### Voter-Approved Unlimited Tax General Obligation (UTGO) Bonds

- New revenue created
- Repaid with property taxes
- Approved with a 60% yes vote, 40% validation
- 5% debt capacity
- 40-year maximum term (match useful life of asset)
- May only be submitted to voters twice in a calendar year

|                                  |                  |
|----------------------------------|------------------|
| 2021 Bond Assessed Value         | \$10,150,599,965 |
| Statutory Capacity Rate          | 5.000%           |
| Total Statutory Capacity         | \$507,529,998    |
| Less: Outstanding Voted Debt     | (\$0)            |
| Less: Outstanding Non-Voted Debt | (\$974,794)      |
| Remaining Capacity               | \$506,555,204    |

### Non-Voted Limited General Obligation (LGO) Bonds

- Repaid with existing revenue
- Can't be used for “new” construction
- 3/8 of 1% debt capacity
- Public hearing required if more than \$250,000

|                                       |                  |
|---------------------------------------|------------------|
| 2021 Bond Assessed Value              | \$10,150,599,965 |
| Statutory Capacity Rate               | 0.375%           |
| Total Statutory Capacity              | \$38,064,749     |
| Less: Estimated Non-Voted Debt        | (\$974,794)      |
| Less: Refunding Use of Non-Voted Debt | \$0              |
| Remaining Capacity                    | \$37,089,955     |

### Capital Projects Levy

- One- to six-year collection cycle
- Pay costs to construct, modernize or remodel school facilities (includes technology improvements)
- Additional capital projects levy may be authorized for the same period (e.g. technology and new roof)
- No interest cost
- Possible life cycle mismatch
- Simple majority (50% + 1)
- If a capital projects levy fails, may be resubmitted to voters only once in the same 12-month period

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## Financial Plan

There are a number of items to consider when creating a financial plan.

### Project Budget

- What are the estimated costs of the project?
- What are the estimated revenues to help pay for the project?
  - Bonds
  - State match
  - Investment earnings
  - Impact fees

### Timing

- When do you need the money?
- What is the construction draw schedule?
- Tax law considerations
  - Provide funds when needed for project costs (IRS 85% spend-down within three years)
  - Arbitrage rebate exemptions
    - Spend-down test
    - Issuance amount (issue \$15 million or less per year)

### Taxpayer Impact

- What is the impact of the project on property owners (taxpayers)?
- Tax rates are the standard means of communicating the tax impact on property owners. The tax rate will be affected by the assumptions used for the following:
  - Interest Rates
  - Bond Rating
  - Assessed Value
  - Bond Structure

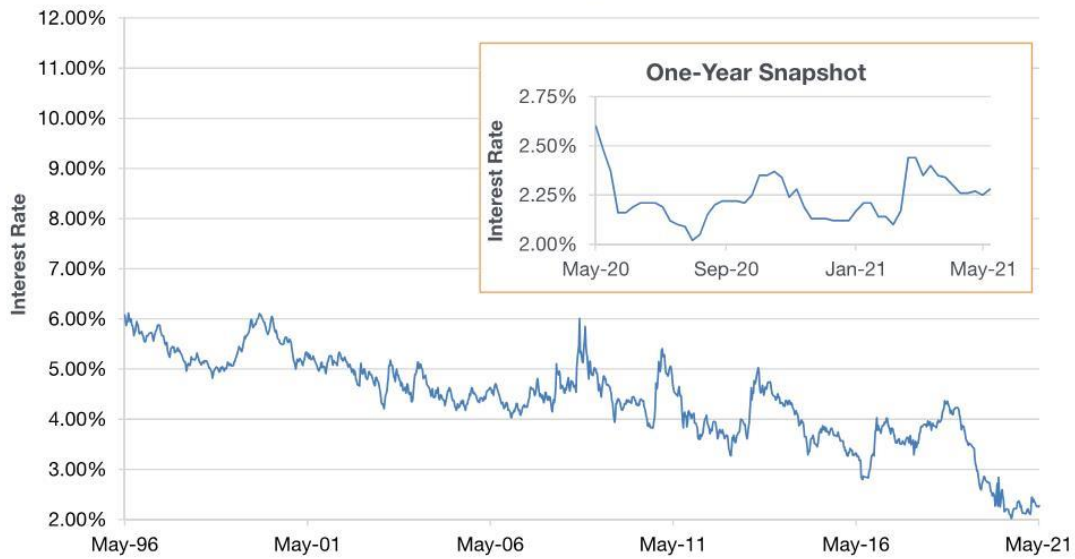
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## Interest Rates

At a regularly scheduled meeting, on April 28, 2021, the Federal Reserve maintained its federal funds target range of 0.00% to 0.25%. This follows two unscheduled emergency rate cuts in 2020 in reaction to the economic slowdown instigated by the novel coronavirus pandemic. Since 2008, there have been five rate cuts, including the two unscheduled cuts.

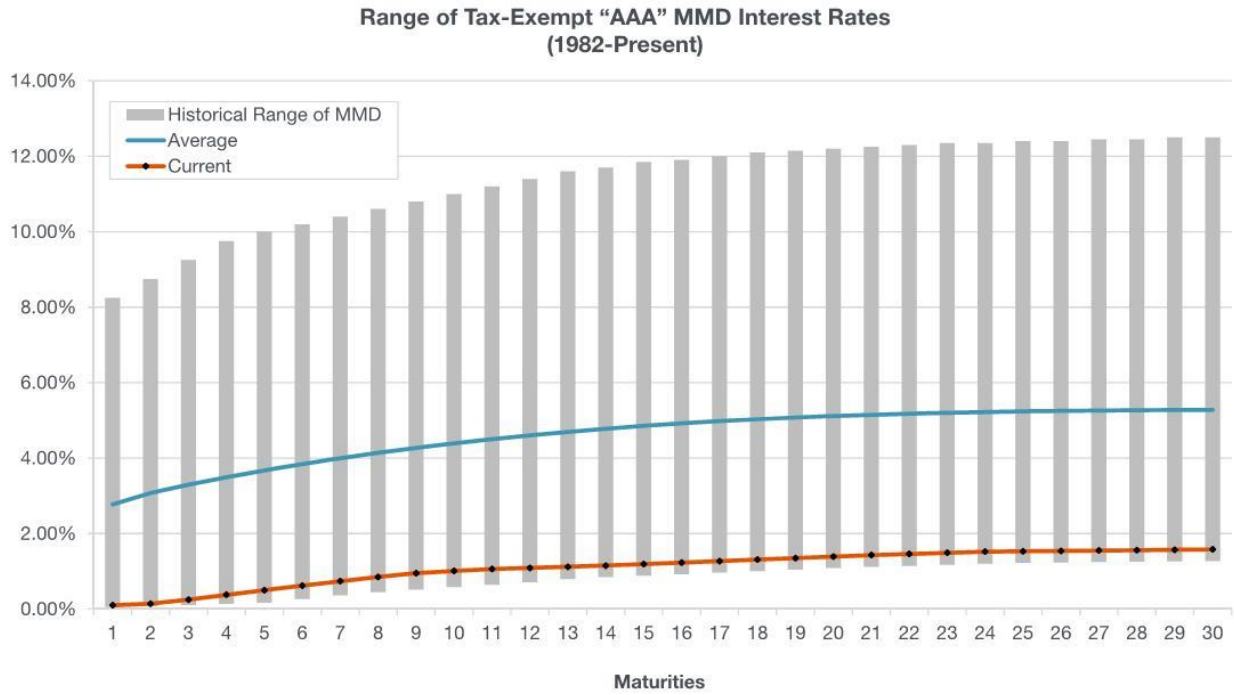
**General Obligation Bond Buyer Index History**



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## Tax-Exempt “AAA” MMD Interest Rates





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## Bond Rating

Rating agencies will consider the District's debt, financial performance, governmental factors, and the local economy.

### Rating Options

- District's underlying rating (NR)
- State guarantee (Aaa)

### Financial Performance Factors

- Accounting and reporting methods
- Revenue/expenditure trends
- Annual operating and budgetary performance
- General fund balance

### Local Economy Factors

- Geographic location/proximity to transportation networks, cities, etc.
- Infrastructure of area (roads, utility systems, transportation facilities)
- Size/structure/diversity of tax base (concentration of largest taxpayers)
- Population base (age, education, labor skills, income/wealth levels)
- Employment base (reliance on particular industries)

### Debt Factors

- Debt repayment structure
- Debt burden
- Future capital needs

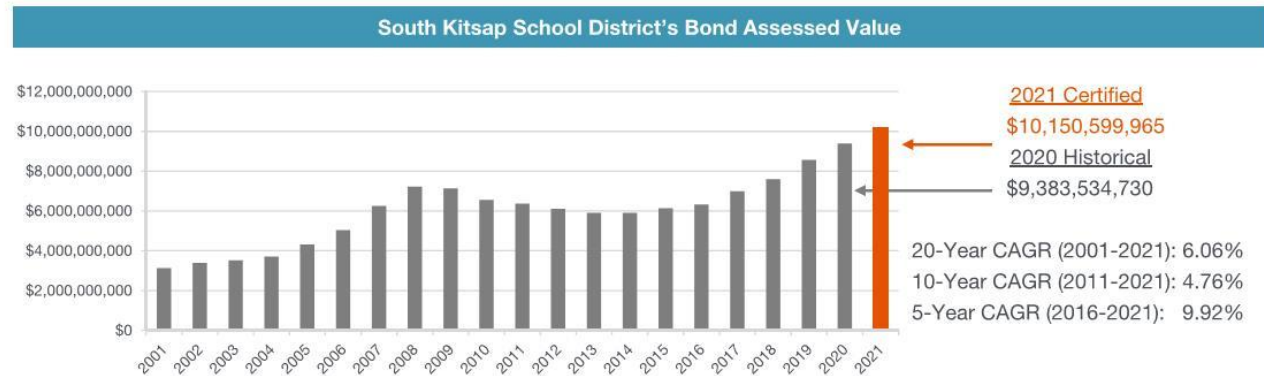
### Governmental Factors

- Legal and political relationships between state and local levels of government
- Tenure of governmental officials and frequency of elections
- Background and experience of key members of administration



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## Assessed Value



### Projection

|                     |                    |
|---------------------|--------------------|
| Final 2019          | 12.8% growth       |
| Final 2020          | 9.6% growth        |
| Final 2021          | 8.2% growth        |
| Assumed 2022 and on | 4.0% annual growth |

- Higher assessed values will lower the District's tax rates (but not the overall payment)
- An individual's taxes will be based on the assessed value of his or her own property
- Dissecting the components that make up the assessed value growth will be important. How much of the growth is related to new construction versus increased value of existing properties?

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## Assessed Value

| Year | Assessed Value Total | % Change |
|------|----------------------|----------|
| 2001 | \$ 3,127,267,267     | --       |
| 2002 | 3,396,449,731        | 8.6%     |
| 2003 | 3,516,353,513        | 3.5%     |
| 2004 | 3,703,087,764        | 5.3%     |
| 2005 | 4,309,261,202        | 16.4%    |
| 2006 | 5,031,185,192        | 16.8%    |
| 2007 | 6,252,479,088        | 24.3%    |
| 2008 | 7,221,373,985        | 15.5%    |
| 2009 | 7,135,548,127        | (1.2)%   |
| 2010 | 6,556,426,695        | (8.1)%   |
| 2011 | 6,373,128,370        | (2.8)%   |
| 2012 | 6,109,494,121        | (4.1)%   |
| 2013 | 5,903,101,028        | (3.4)%   |
| 2014 | 5,898,135,414        | (0.1)%   |
| 2015 | 6,131,707,809        | 4.0%     |
| 2016 | 6,326,480,503        | 3.2%     |
| 2017 | 6,990,176,160        | 10.5%    |
| 2018 | 7,590,412,367        | 8.6%     |
| 2019 | 8,564,344,976        | 12.8%    |
| 2020 | 9,383,534,730        | 9.6%     |
| 2021 | 10,150,599,965       | 8.2%     |

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## Projected Tax Rates - \$100m Authorization

| Calculation Factors          |  |                     |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
|------------------------------|--|---------------------|---------------------|--|-----|--------|-----------|-------|---------|------|-------|-------|------|-------|-------|------|-------|-------|-------------|-------|-------|
| Rating:                      | Aaa (State Guarantee); NR (Underlying)   |                     |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Interest Rates:              | 2021 Issue: Current Plus 1.00 Percent<br>All Other Issues: Current Plus 1.00 Percent   |                     |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Assessed Value Increases at: | <table border="1"> <thead> <tr> <th></th> <th>R&amp;P</th> <th>Timber</th> </tr> </thead> <tbody> <tr> <td>Certified</td> <td>8.24%</td> <td>-17.91%</td> </tr> <tr> <td>2022</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2023</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2024</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2025 - 2070</td> <td>4.00%</td> <td>0.00%</td> </tr> </tbody> </table> |                     |                     |  | R&P | Timber | Certified | 8.24% | -17.91% | 2022 | 4.00% | 0.00% | 2023 | 4.00% | 0.00% | 2024 | 4.00% | 0.00% | 2025 - 2070 | 4.00% | 0.00% |
|                              | R&P  | Timber              |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Certified                    | 8.24%  | -17.91%             |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2022                         | 4.00%  | 0.00%               |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2023                         | 4.00%  | 0.00%               |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2024                         | 4.00%  | 0.00%               |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2025 - 2070                  | 4.00%  | 0.00%               |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Issue Structure:             | Combined Level Tax Rate  |                     |                     |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Bonds Issued:                | Issue 1<br>6/1/2022  | Issue 2<br>6/1/2023 | Issue 3<br>6/1/2024 |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Capital Projects Deposit:    | \$35,000,000   | \$35,000,000        | \$30,000,000        |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
|                              |  |                     | \$100,000,000       |  |     |        |           |       |         |      |       |       |      |       |       |      |       |       |             |       |       |

NOTES:  
 (1) Certified levy amounts.  
 (2) EP&O levy grows with AV. Voter approved Capital levy amount.

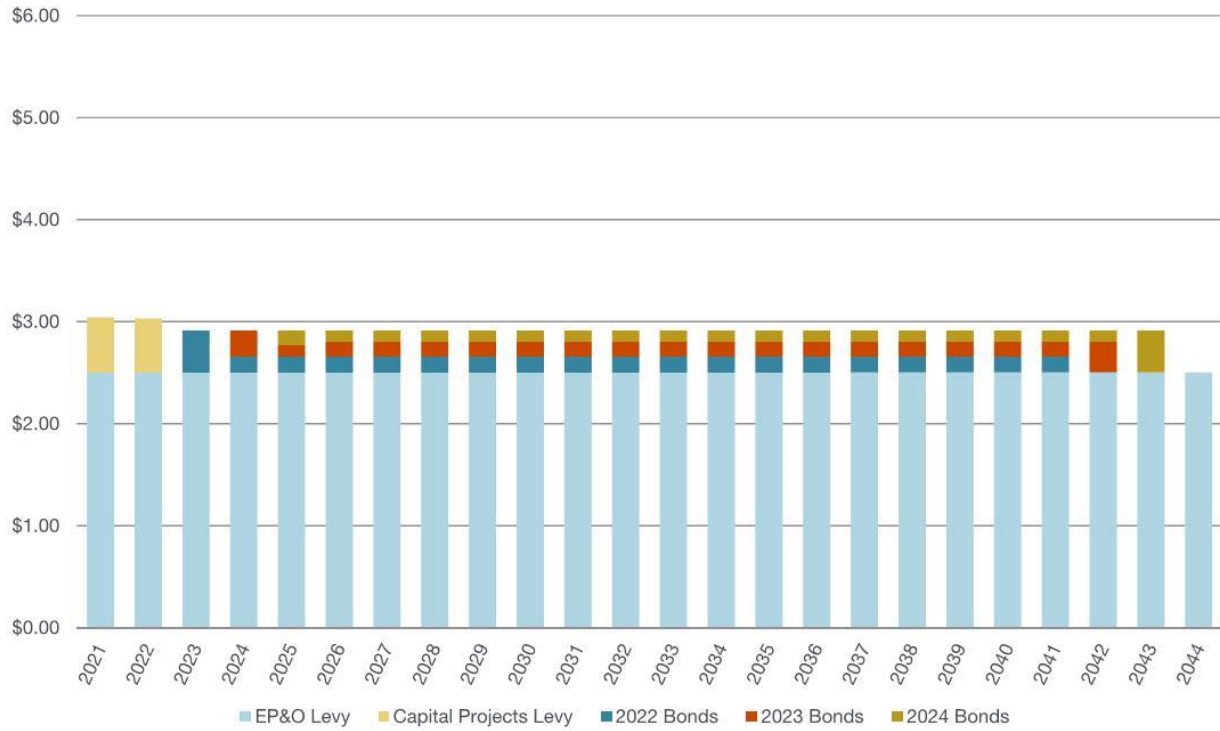
| Levy Year                  | Bond Assessed Value | EP&O Assessed Value | (in 1,000's) |            |            |            | Total Bonds | Capital Levy | EP&O Levy |
|----------------------------|---------------------|---------------------|--------------|------------|------------|------------|-------------|--------------|-----------|
|                            |                     |                     | Prior Debt   | 2022 Issue | 2023 Issue | 2024 Issue |             |              |           |
| 2021                       | \$10,150,600        | \$10,140,524        | \$0          | \$0        | \$0        | \$0        | \$5,485     | \$25,351 (1) |           |
| 2022                       | 10,555,818          | 10,545,742          | 0            | 0          | 0          | 0          | 5,586       | 26,365 (2)   |           |
| 2023                       | 10,977,244          | 10,967,168          | 0            | 4,531      | 0          | 4,531      | 0           | 27,420       |           |
| 2024                       | 11,415,528          | 11,405,452          | 0            | 1,766      | 2,942      | 0          | 4,708       | 26,517       |           |
| 2025                       | 11,871,343          | 11,861,267          | 0            | 1,837      | 1,320      | 1,737      | 4,894       | 29,657       |           |
| 2026                       | 12,345,391          | 12,335,315          | 0            | 1,914      | 1,815      | 1,357      | 5,085       | 30,844       |           |
| 2027                       | 12,838,400          | 12,828,324          | 0            | 1,985      | 1,890      | 1,415      | 5,290       | 32,077       |           |
| 2028                       | 13,351,130          | 13,341,054          | 0            | 2,065      | 1,965      | 1,470      | 5,501       | 33,361       |           |
| 2029                       | 13,884,369          | 13,874,293          | 0            | 2,145      | 2,045      | 1,526      | 5,717       | 34,695       |           |
| 2030                       | 14,438,938          | 14,428,862          | 0            | 2,229      | 2,129      | 1,589      | 5,947       | 36,083       |           |
| 2031                       | 15,015,689          | 15,005,613          | 0            | 2,320      | 2,207      | 1,652      | 6,190       | 37,526       |           |
| 2032                       | 15,615,511          | 15,605,435          | 0            | 2,410      | 2,299      | 1,716      | 6,425       | 39,027       |           |
| 2033                       | 16,239,325          | 16,229,249          | 0            | 2,506      | 2,394      | 1,785      | 6,685       | 40,588       |           |
| 2034                       | 16,888,092          | 16,878,016          | 0            | 2,606      | 2,485      | 1,858      | 6,949       | 42,212       |           |
| 2035                       | 17,562,810          | 17,552,733          | 0            | 2,708      | 2,584      | 1,931      | 7,224       | 43,900       |           |
| 2036                       | 18,264,516          | 18,254,440          | 0            | 2,814      | 2,692      | 2,004      | 7,510       | 45,656       |           |
| 2037                       | 18,994,291          | 18,984,214          | 0            | 2,928      | 2,798      | 2,087      | 7,812       | 47,483       |           |
| 2038                       | 19,753,256          | 19,743,180          | 0            | 3,043      | 2,911      | 2,170      | 8,124       | 49,382       |           |
| 2039                       | 20,542,580          | 20,532,504          | 0            | 3,165      | 3,022      | 2,262      | 8,449       | 51,357       |           |
| 2040                       | 21,363,477          | 21,353,401          | 0            | 3,288      | 3,144      | 2,349      | 8,781       | 53,411       |           |
| 2041                       | 22,217,210          | 22,207,134          | 0            | 3,422      | 3,268      | 2,444      | 9,134       | 55,548       |           |
| 2042                       | 23,105,093          | 23,095,016          | 0            | 0          | 6,958      | 2,538      | 9,495       | 57,770       |           |
| 2043                       | 24,028,490          | 24,018,414          | 0            | 0          | 0          | 9,875      | 9,875       | 60,081       |           |
| 2044                       | 24,988,824          | 24,978,748          | 0            | 0          | 0          | 0          | 0           | 62,484       |           |
| <b>Total Debt Service:</b> |                     |                     |              | \$49,683   | \$50,868   | \$43,764   |             |              |           |
| <b>Total Interest:</b>     |                     |                     |              | \$17,203   | \$18,778   | \$16,919   |             |              |           |
| <b>Net Interest Cost:</b>  |                     |                     |              | 3.39%      | 3.44%      | 3.28%      |             |              |           |
| <b>Skit_132_100m</b>       |                     |                     |              |            |            |            |             |              |           |

| Levy Year | Projected Tax Rates |            |            |            |             |              |           |
|-----------|---------------------|------------|------------|------------|-------------|--------------|-----------|
|           | Prior Debt          | 2022 Issue | 2023 Issue | 2024 Issue | Total Bonds | Capital Levy | EP&O Levy |
| 2021      | \$0.00              | \$0.00     | \$0.00     | \$0.00     | \$0.00      | \$0.54       | \$2.50    |
| 2022      | 0.00                | 0.00       | 0.00       | 0.00       | 0.00        | 0.53         | 2.50      |
| 2023      | 0.00                | 0.41       | 0.00       | 0.00       | 0.41        | 0.00         | 2.50      |
| 2024      | 0.00                | 0.15       | 0.26       | 0.00       | 0.41        | 0.00         | 2.50      |
| 2025      | 0.00                | 0.15       | 0.11       | 0.15       | 0.41        | 0.00         | 2.50      |
| 2026      | 0.00                | 0.16       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2027      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2028      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2029      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2030      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2031      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2032      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2033      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2034      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2035      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2036      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2037      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2038      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2039      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2040      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2041      | 0.00                | 0.15       | 0.15       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2042      | 0.00                | 0.00       | 0.30       | 0.11       | 0.41        | 0.00         | 2.50      |
| 2043      | 0.00                | 0.00       | 0.00       | 0.41       | 0.41        | 0.00         | 2.50      |
| 2044      | 0.00                | 0.00       | 0.00       | 0.00       | 0.00        | 0.00         | 2.50      |

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

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### Tax Rate Graph - \$100m Authorization



South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

## Projected Tax Rates - \$200m Authorization

| Calculation Factors          |   |              |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
|------------------------------|---|--------------|--------------|--|-----|--------|----------------|-------|---------|------|-------|-------|------|-------|-------|------|-------|-------|-------------|-------|-------|
| Rating:                      | Aaa (State Guarantee); NR (Underlying)  |              |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Interest Rates:              | 2021 Issue: Current Plus 1.00 Percent<br>All Other Issues: Current Plus 1.00 Percent  |              |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Assessed Value Increases at: | <table border="1"> <thead> <tr> <th></th> <th>R&amp;P</th> <th>Timber</th> </tr> </thead> <tbody> <tr> <td>Certified 2021</td> <td>8.24%</td> <td>-17.91%</td> </tr> <tr> <td>2022</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2023</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2024</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2025 - 2070</td> <td>4.00%</td> <td>0.00%</td> </tr> </tbody> </table> |              |              |  | R&P | Timber | Certified 2021 | 8.24% | -17.91% | 2022 | 4.00% | 0.00% | 2023 | 4.00% | 0.00% | 2024 | 4.00% | 0.00% | 2025 - 2070 | 4.00% | 0.00% |
|                              | R&P   | Timber       |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Certified 2021               | 8.24%   | -17.91%      |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2022                         | 4.00%   | 0.00%        |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2023                         | 4.00%   | 0.00%        |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2024                         | 4.00%   | 0.00%        |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| 2025 - 2070                  | 4.00%   | 0.00%        |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Issue Structure:             | Combined Level Tax Rate   |              |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
|                              | Issue 1   | Issue 2      | Issue 3      |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Bonds Issued:                | 6/1/2022  | 6/1/2023     | 6/1/2024     |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
| Capital Projects Deposit:    | \$70,000,000  | \$65,000,000 | \$65,000,000 |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |
|                              | <b>\$200,000,000</b>  |              |              |  |     |        |                |       |         |      |       |       |      |       |       |      |       |       |             |       |       |

**NOTES:**  
(1) Certified levy amounts.  
(2) EP&O levy grows with AV. Voter approved Capital levy amount.

| Levy Year                  | Bond Assessed Value | EP&O Assessed Value | (in 1,000's) |            |            |            | Capital Levy | EP&O Levy    |
|----------------------------|---------------------|---------------------|--------------|------------|------------|------------|--------------|--------------|
|                            |                     |                     | Prior Debt   | 2022 Issue | 2023 Issue | 2024 Issue |              |              |
| 2021                       | \$10,150,600        | \$10,140,524        | \$0          | \$0        | \$0        | \$0        | \$5,485      | \$25,351 (1) |
| 2022                       | 10,555,818          | 10,545,742          | 0            | 0          | 0          | 0          | 5,586        | 26,365 (2)   |
| 2023                       | 10,977,244          | 10,967,168          | 0            | 9,016      | 0          | 9,016      | 0            | 27,420       |
| 2024                       | 11,415,528          | 11,405,452          | 0            | 3,522      | 5,845      | 0          | 9,367        | 28,517       |
| 2025                       | 11,871,343          | 11,861,267          | 0            | 3,665      | 2,435      | 3,660      | 9,759        | 29,657       |
| 2026                       | 12,345,391          | 12,335,315          | 0            | 3,807      | 3,340      | 3,000      | 10,147       | 30,844       |
| 2027                       | 12,838,400          | 12,828,324          | 0            | 3,960      | 3,469      | 3,122      | 10,552       | 32,077       |
| 2028                       | 13,351,130          | 13,341,054          | 0            | 4,117      | 3,610      | 3,242      | 10,969       | 33,361       |
| 2029                       | 13,884,369          | 13,874,293          | 0            | 4,282      | 3,752      | 3,373      | 11,407       | 34,695       |
| 2030                       | 14,438,338          | 14,428,262          | 0            | 4,449      | 3,908      | 3,506      | 11,863       | 36,083       |
| 2031                       | 15,015,689          | 15,005,613          | 0            | 4,628      | 4,057      | 3,650      | 12,335       | 37,526       |
| 2032                       | 15,615,511          | 15,605,435          | 0            | 4,812      | 4,220      | 3,794      | 12,825       | 39,027       |
| 2033                       | 16,239,325          | 16,229,249          | 0            | 5,000      | 4,395      | 3,941      | 13,336       | 40,588       |
| 2034                       | 16,888,092          | 16,878,016          | 0            | 5,199      | 4,570      | 4,098      | 13,867       | 42,212       |
| 2035                       | 17,562,810          | 17,552,733          | 0            | 5,410      | 4,744      | 4,266      | 14,420       | 43,900       |
| 2036                       | 18,264,516          | 18,254,440          | 0            | 5,622      | 4,941      | 4,435      | 14,998       | 45,656       |
| 2037                       | 18,994,291          | 18,984,214          | 0            | 5,849      | 5,135      | 4,614      | 15,598       | 47,483       |
| 2038                       | 19,753,256          | 19,743,180          | 0            | 6,080      | 5,341      | 4,796      | 16,217       | 49,382       |
| 2039                       | 20,542,580          | 20,532,504          | 0            | 6,319      | 5,558      | 4,986      | 16,873       | 51,357       |
| 2040                       | 21,363,477          | 21,353,401          | 0            | 6,576      | 5,774      | 5,188      | 17,538       | 53,411       |
| 2041                       | 22,217,210          | 22,207,134          | 0            | 6,833      | 6,010      | 5,396      | 18,239       | 55,548       |
| 2042                       | 23,105,093          | 23,095,016          | 0            | 0          | 13,354     | 5,610      | 18,964       | 57,770       |
| 2043                       | 24,028,490          | 24,018,414          | 0            | 0          | 0          | 19,724     | 19,724       | 60,081       |
| 2044                       | 24,988,824          | 24,978,748          | 0            | 0          | 0          | 0          | 0            | 62,484       |
| <b>Total Debt Service:</b> |                     |                     |              | \$99,145   | \$94,456   | \$94,402   |              |              |
| <b>Total Interest:</b>     |                     |                     |              | \$34,345   | \$34,821   | \$36,267   |              |              |
| <b>Net Interest Cost:</b>  |                     |                     |              | 3.39%      | 3.44%      | 3.27%      |              |              |

Skit 131 200m

| Prior Debt | Projected Tax Rates |            |            |             |        |        | Capital Levy | EP&O Levy | Combined Tax Rates |
|------------|---------------------|------------|------------|-------------|--------|--------|--------------|-----------|--------------------|
|            | 2022 Issue          | 2023 Issue | 2024 Issue | Total Bonds |        |        |              |           |                    |
| \$0.00     | \$0.00              | \$0.00     | \$0.00     | \$0.00      | \$0.00 | \$0.54 | \$2.50       | \$3.04    |                    |
| 0.00       | 0.00                | 0.00       | 0.00       | 0.00        | 0.00   | 0.53   | 2.50         | 3.03      |                    |
| 0.00       | 0.82                | 0.00       | 0.00       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.51       | 0.00       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.21       | 0.31       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.31                | 0.27       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.00                | 0.58       | 0.24       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.00                | 0.00       | 0.82       | 0.82        | 0.00   | 0.00   | 2.50         | 3.32      |                    |
| 0.00       | 0.00                | 0.00       | 0.00       | 0.00        | 0.00   | 0.00   | 2.50         | 2.50      |                    |

South Kitsap School District  
 Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

## Tax Impact Analysis - \$200m Authorization

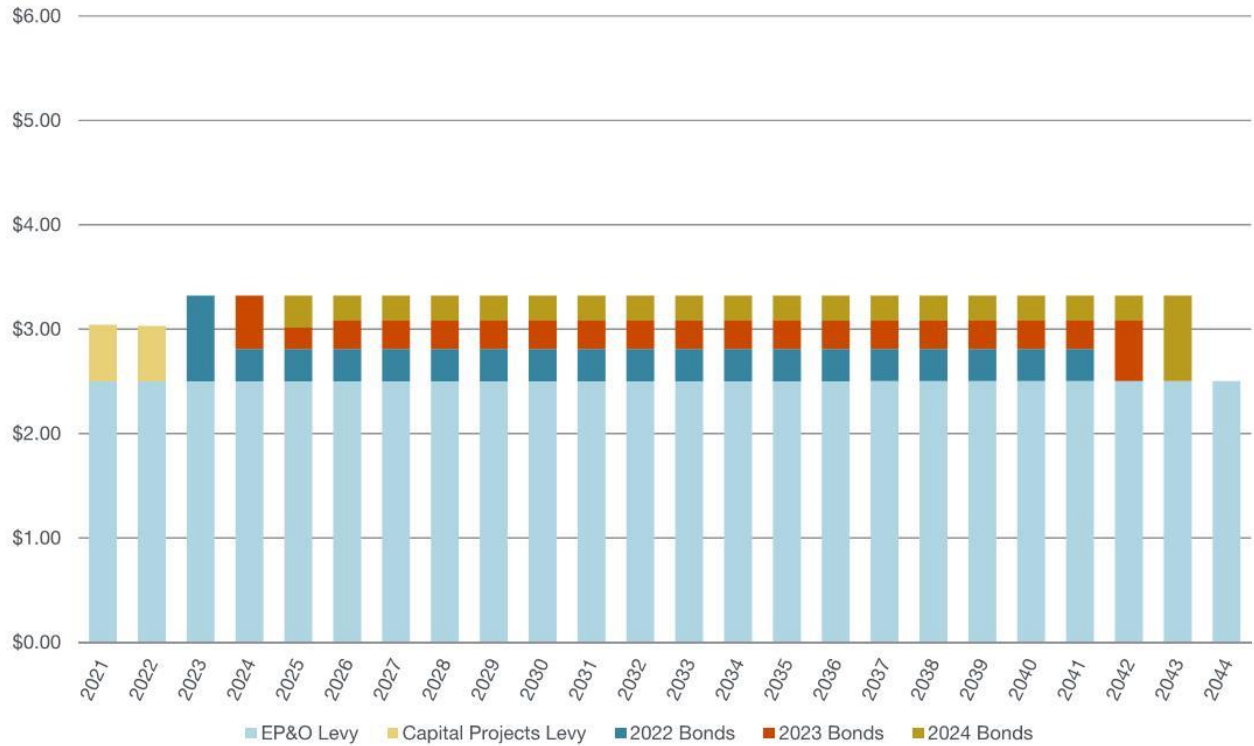
| South Kitsap School District No. 402  |                                       |                        |   |        |        |        |        |
|---|---------------------------------------|------------------------|---|--------|--------|--------|--------|
| TAX IMPACT ANALYSIS   |                                       |                        |   |        |        |        |        |
| Bond Authorization Amount:  |                                       | \$200,000,000          |   |        |        |        |        |
| Estimated 2023 Tax Rate Increase over 2022 Tax Rate<br>(per \$1,000 assessed value): \$0.29 |                                       |                        |   |        |        |        |        |
| Assessed Value of Property  | Gross Property Tax Increase for Bonds | Monthly Gross Increase | Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction |        |        |        |        |
|   |                                       |                        | Federal Income Tax Bracket  |        |        |        |        |
|   |                                       |                        | 22%   | 24%    | 32%    | 35%    | 37%    |
| \$100,000   | \$29.00                               | \$2.42                 | \$1.89  | \$1.84 | \$1.64 | \$1.57 | \$1.52 |
| 150,000   | 44.00                                 | 3.67                   | 2.86  | 2.79   | 2.49   | 2.38   | 2.31   |
| 200,000   | 58.00                                 | 4.83                   | 3.77  | 3.67   | 3.29   | 3.14   | 3.05   |
| 250,000   | 73.00                                 | 6.08                   | 4.75  | 4.62   | 4.14   | 3.95   | 3.83   |
| 300,000   | 87.00                                 | 7.25                   | 5.66  | 5.51   | 4.93   | 4.71   | 4.57   |

**NOTE:** 10% & 12% tax brackets not depicted. Qualified homeowners may apply for a senior exemption. Please contact the Kitsap County Assessor for details at (360) 337-7160.

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

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### Tax Rate Graph - \$200m Authorization





South Kitsap School District  
 Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

## Projected Tax Rates - \$300m Authorization

| Calculation Factors          |  |               |               |
|------------------------------|--|---------------|---------------|
| Rating:                      | Aaa (State Guarantee); NR (Underlying)   |               |               |
| Interest Rates:              | 2021 Issue: Current Plus 1.00 Percent<br>All Other Issues: Current Plus 1.00 Percent |               |               |
| Assessed Value Increases at: | R&P  | Timber        |               |
|                              | Certified  | 2021          | 8.24% -17.91% |
|                              |  | 2022          | 4.00% 0.00%   |
|                              |  | 2023          | 4.00% 0.00%   |
|                              |  | 2024          | 4.00% 0.00%   |
|                              |  | 2025 - 2070   | 4.00% 0.00%   |
| Issue Structure:             | Combined Level Tax Rate  |               |               |
| Bonds Issued:                | Issue 1  | Issue 2       | Issue 3       |
|                              | 6/1/2022   | 6/1/2023      | 6/1/2024      |
| Capital Projects Deposit:    | \$100,000,000  | \$100,000,000 | \$100,000,000 |
|                              |  |               | \$300,000,000 |

NOTES:  
 (1) Certified levy amounts.  
 (2) EP&O levy grows with AV. Voter approved Capital levy amount.

| Levy Year                  | Bond Assessed Value | EP&O Assessed Value | (in 1,000's) |            |            |            | Capital Levy | EP&O Levy  |  |
|----------------------------|---------------------|---------------------|--------------|------------|------------|------------|--------------|------------|--|
|                            |                     |                     | Debt Service |            |            |            |              |            |  |
|                            |                     |                     | Prior Debt   | 2022 Issue | 2023 Issue | 2024 Issue | Total Bonds  |            |  |
| 2021                       | \$10,150,600        | \$10,140,524        | \$0          | \$0        | \$0        | \$0        | \$0          | \$5,485    |  |
| 2022                       | 10,555,818          | 10,545,742          | 0            | 0          | 0          | 0          | 0            | 25,351 (1) |  |
| 2023                       | 10,977,244          | 10,967,166          | 0            | 13,529     | 0          | 0          | 0            | 26,365 (2) |  |
| 2024                       | 11,415,628          | 11,405,452          | 0            | 4,945      | 9,083      | 0          | 14,027       | 28,517     |  |
| 2025                       | 11,871,343          | 11,861,267          | 0            | 5,143      | 3,744      | 5,676      | 14,562       | 29,657     |  |
| 2026                       | 12,345,391          | 12,335,315          | 0            | 5,348      | 5,159      | 4,635      | 15,141       | 30,844     |  |
| 2027                       | 12,838,400          | 12,828,324          | 0            | 5,558      | 5,368      | 4,821      | 15,747       | 32,077     |  |
| 2028                       | 13,351,130          | 13,341,054          | 0            | 5,778      | 5,578      | 5,016      | 16,372       | 33,361     |  |
| 2029                       | 13,884,369          | 13,874,293          | 0            | 6,007      | 5,804      | 5,218      | 17,028       | 34,695     |  |
| 2030                       | 14,438,838          | 14,428,662          | 0            | 6,248      | 6,033      | 5,426      | 17,707       | 36,083     |  |
| 2031                       | 15,015,689          | 15,005,613          | 0            | 6,495      | 6,275      | 5,645      | 18,415       | 37,526     |  |
| 2032                       | 15,615,511          | 15,605,435          | 0            | 6,756      | 6,523      | 5,868      | 19,148       | 39,027     |  |
| 2033                       | 16,239,325          | 16,229,249          | 0            | 7,025      | 6,787      | 6,100      | 19,911       | 40,588     |  |
| 2034                       | 16,888,092          | 16,878,016          | 0            | 7,306      | 7,053      | 6,348      | 20,708       | 42,212     |  |
| 2035                       | 17,562,810          | 17,552,733          | 0            | 7,594      | 7,340      | 6,597      | 21,531       | 43,900     |  |
| 2036                       | 18,264,516          | 18,254,440          | 0            | 7,897      | 7,633      | 6,863      | 22,393       | 45,656     |  |
| 2037                       | 18,994,291          | 18,984,214          | 0            | 8,214      | 7,937      | 7,131      | 23,282       | 47,483     |  |
| 2038                       | 19,753,256          | 19,743,180          | 0            | 8,538      | 8,256      | 7,418      | 24,212       | 49,382     |  |
| 2039                       | 20,542,580          | 20,532,504          | 0            | 8,879      | 8,582      | 7,720      | 25,182       | 51,357     |  |
| 2040                       | 21,363,477          | 21,353,401          | 0            | 9,235      | 8,925      | 8,028      | 26,188       | 53,411     |  |
| 2041                       | 22,217,210          | 22,207,134          | 0            | 9,599      | 9,289      | 8,344      | 27,232       | 55,548     |  |
| 2042                       | 23,105,093          | 23,095,016          | 0            | 0          | 19,640     | 8,678      | 28,318       | 57,770     |  |
| 2043                       | 24,028,490          | 24,018,414          | 0            | 0          | 0          | 29,448     | 29,448       | 60,081     |  |
| 2044                       | 24,988,824          | 24,978,748          | 0            | 0          | 0          | 0          | 0            | 62,484     |  |
| <b>Total Debt Service:</b> |                     |                     |              | \$140,094  | \$145,008  | \$144,980  |              |            |  |
| <b>Total Interest:</b>     |                     |                     |              | \$48,294   | \$53,293   | \$55,550   |              |            |  |
| <b>Net Interest Cost:</b>  |                     |                     |              | 3.39%      | 3.44%      | 3.27%      |              |            |  |
| Skit_130_300m              |                     |                     |              |            |            |            |              |            |  |

| Prior Debt | 2022 Issue | 2023 Issue | 2024 Issue | Total Bonds | Capital Levy | EP&O Levy | Combined Tax Rates |
|------------|------------|------------|------------|-------------|--------------|-----------|--------------------|
|            |            |            |            |             |              |           |                    |
| \$0.00     | \$0.00     | \$0.00     | \$0.00     | \$0.00      | \$0.54       | \$2.50    | \$3.04             |
| 0.00       | 0.00       | 0.00       | 0.00       | 0.00        | 0.53         | 2.50      | 3.03               |
| 0.00       | 1.23       | 0.00       | 0.00       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.80       | 0.00       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.32       | 0.48       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.43       | 0.42       | 0.38       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.00       | 0.00       | 1.23       | 1.23        | 0.00         | 2.50      | 3.73               |
| 0.00       | 0.00       | 0.00       | 0.00       | 0.00        | 0.00         | 2.50      | 2.50               |

March 2022

South Kitsap School District  
Long Range Facility Planning Team Recommendation:  
**REBUILDING SK SCHOOLS**

## Tax Impact Analysis - \$300m Authorization

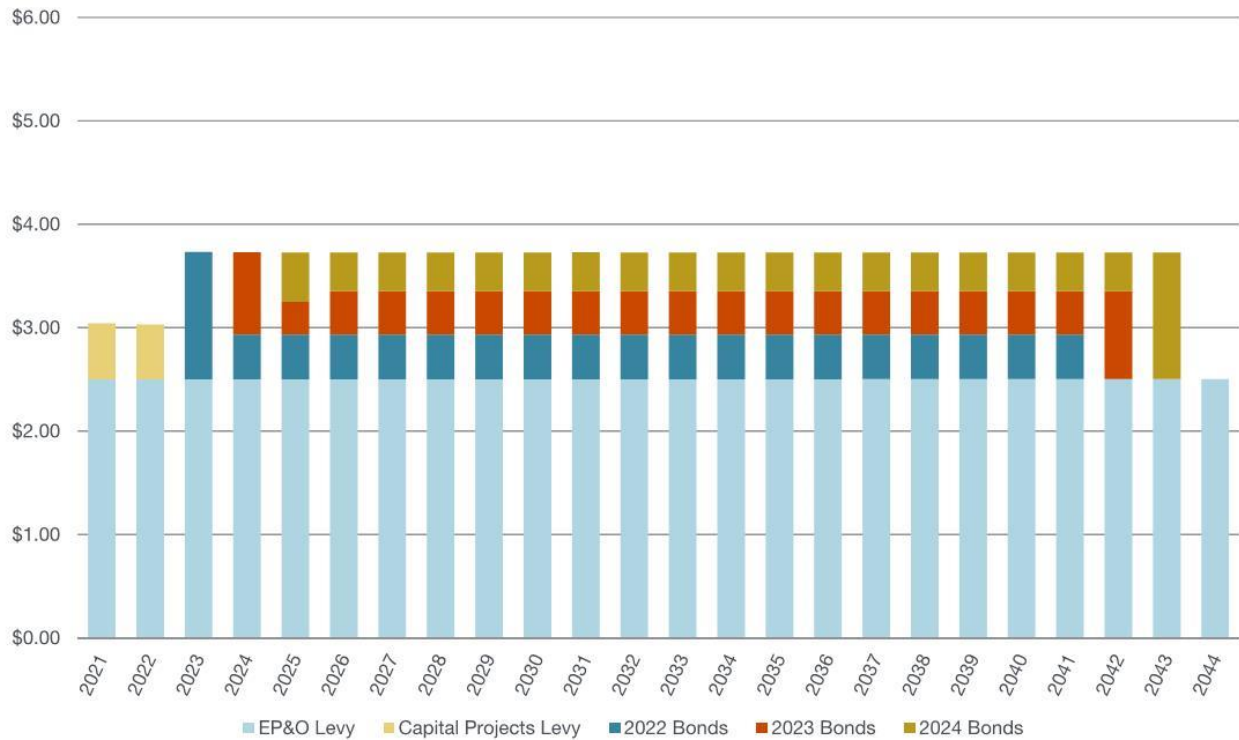
| South Kitsap School District No. 402  |                                       |                        |   |        |        |        |        |
|---|---------------------------------------|------------------------|---|--------|--------|--------|--------|
| TAX IMPACT ANALYSIS   |                                       |                        |   |        |        |        |        |
| Bond Authorization Amount:  |                                       | \$300,000,000          |   |        |        |        |        |
| Estimated 2023 Tax Rate Increase over 2022 Tax Rate<br>(per \$1,000 assessed value): \$0.70 |                                       |                        |   |        |        |        |        |
| Assessed Value of Property  | Gross Property Tax Increase for Bonds | Monthly Gross Increase | Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction |        |        |        |        |
|   |                                       |                        | Federal Income Tax Bracket  |        |        |        |        |
|   |                                       |                        | 22%   | 24%    | 32%    | 35%    | 37%    |
| \$100,000   | \$70.00                               | \$5.83                 | \$4.55  | \$4.43 | \$3.97 | \$3.79 | \$3.68 |
| 150,000   | 105.00                                | 8.75                   | 6.83  | 6.65   | 5.95   | 5.69   | 5.51   |
| 200,000   | 140.00                                | 11.67                  | 9.10  | 8.87   | 7.93   | 7.58   | 7.35   |
| 250,000   | 175.00                                | 14.58                  | 11.38   | 11.08  | 9.92   | 9.48   | 9.19   |
| 300,000   | 210.00                                | 17.50                  | 13.65   | 13.30  | 11.90  | 11.38  | 11.03  |

**NOTE:** 10% & 12% tax brackets not depicted. Qualified homeowners may apply for a senior exemption. Please contact the Kitsap County Assessor for details at (360) 337-7160.

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### Tax Rate Graph - \$300m Authorization



South Kitsap School District  
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## Next Steps

### Financing Team's Role

#### Project Planning

- Refine project scope and local share of required funds
- Refine tax rate projections

#### Looking Ahead

- Debt Service Fund cash flow planning and budget
- Future financing and levy needs

#### Election Resources

- Attendance at Facility / Bond Committee meetings
- Presentation of information for community and civic organization meetings
- Briefing of County Assessor and Treasurer
- Community Surveys

### Piper Sandler's Service

#### Pre-Election Service

- Provide bond issue planning
- Attend community meetings
- Meet with Facilities Committee
- Act as resource to Election Committee – survey research
- Coordinate work with County Treasurer

#### Post-Election Service

- Coordinate financing team activities
- Prepare Official Statements
- Apply for bond ratings and credit enhancement
- Market and sell bonds
- Provide ongoing assistance:
  - Debt Service Fund cash flow analysis
  - SEC disclosure compliance
  - Refunding analysis
  - Arbitrage rebate assistance