

April 2022

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

SK LRFPP Recommendation: **REBUILDING SK FACILITIES**

We are pleased to present for consideration our recommendation to **REBUILD SOUTH KITSAP FACILITIES**. We find ourselves in a position in the South Kitsap School District where 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 school construction assistance due to the building age and condition. The newest K-12 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 our recommendation at this time

Presently there is one available site for expansion, the 57-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

April 2022

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

SK LRFP Recommendations: **REBUILDING SK FACILITIES**

Table of Contents

<u>Section</u>	<u>Topic</u>	<u>Page</u>
1.	Overview	3
2.	Assessment of All South Kitsap Facilities	
	School Facilities	5
	Support Facilities	6
3.	Consideration of New Facilities	7
4.	South Kitsap Facility Improvement Priorities	8
5.	Stage One Scenario A: Impact All Facilities (First 30 Years): <u>RECOMMENDATION</u>	9
6.	Stage Two Scenarios A and B: (30 to 50 Years)	11
7.	Financial Models for all Options A-D, (Stage One and Two)	13
8.	Timeline for Pre-Bond Project Development	14
APPENDICES		
1.	Basis for Cost Model Assumptions (from OSPI)	15
2.	Cost Model Calculations (Stage One Scenario A)	17
3.	Alternative Stage One Scenarios (B-D); <u>OTHER CONSIDERATIONS</u>	20
4.	Current Levy Rates South Kitsap School District (SKSD Feb 2022)	23
5.	Bond Financing Presentation Basics (Piper Sandler: May 2021)	24
6.	Site Aerial Diagrams with Existing Facility Assessment Data	55

April 2022

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

1. Overview

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:

Officers: Lee Fenton, Chair, Rick Prentice Vice Chair, Gerry Austin, Secretary.

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.

Several terms are used extensively throughout this document. We offer a simple guide below to clarify terms in our report:

SCAP:

The State of Washington's method for assisting eligible School Districts in their construction of schools. This term is commonly referred to as "State Match". This process is managed by OSPI (The Office of Superintendent of Public Instruction).

Modernization Construction:

This is a term utilized by the State to represent a level of remodel that is eligible for the "School Construction Assistance Program" or SCAP. Existing eligible facilities for modernization (or remodel) are those K-12 facilities that have not been addressed with capital improvements for a minimum length of 30 years' time. There are minimum levels of the magnitude of remodel to be eligible for Modernization SCAP.

New in Lieu of Modernization Construction:

An equivalency to Modernization SCAP is "New In Lieu of Modernization", which is basically replacement of a K-12 facility deemed appropriate for such measures (tearing down...or demolishing a facility... and rebuilding it in kind).

April 2022

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

New Construction:

Other eligible facilities for SCAP are those K-12 facilities to deal with growth, or “unhoused students”. This would be a facility that does not presently exist or is an addition of square footage to the District balance. This does not include portables, as these facilities are not counted as square footage in the District summary of facilities.

Capital Levy:

In simplistic terms, this is primarily a term utilized to represent a funding mechanism for District needs that represent immediate and short term means of collection. Capital Levies can be constructed for 1-6 years and are approved by a community vote that has the threshold of 50% for approval. The money is then collected on a yearly basis for upcoming expenditures.

Capital Bond:

In simplistic terms, this is primarily a term utilized to represent a funding mechanism for District needs that represent larger sums and longer term means of collection. Capital Bonds can be constructed for 20-30 years and are approved by a community vote that has the threshold of 60% for approval. The money is then funded quicker for larger allocation and expenditures such as major construction projects.

Hard Costs:

Costs of construction (plus applicable sales tax), which for school construction includes prevailing wage considerations, and public bidding and procurement.

Soft Costs:

Costs of Project Development, which for school construction includes all of the preliminary costs of a project; including project management, architectural and engineering design services, permitting, investigation, fees for development, furniture fixtures and equipment, legal and all consulting fees.

April 2022

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

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

April 2022

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

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

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 aeronautical 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

2nd High School

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

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 will 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 possibly on Technology, (specifically 1 to 1 device for each student). There may also be other considerations for a short term Levy ask in 2022 that have not been determined or explored by our Team at this point. 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 our arms around the broad magnitude of the proposed projects only.

1. **OPTION A: 1 Year Tech (or other) 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**

April 2022

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

\$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**

\$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**

\$128 Million for Full Mod/Partial Add/Replacement of SKHS at Exist Site
+\$44-45 Million State Matching Funds: **\$172 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 our arms around 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 2nd 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

April 2022

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

\$200 Million for Middle School Modernization at:

John Sedgwick Site

Marcus Whitman Site

\$100 Million for Additional Modernization Improvement Projects District Wide

METRICS:

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

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

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								
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	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							
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							
4 Year Levy	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	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	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	2.85	2.85	2.85	2.85	2.85	2.85	1.75	
1D. 2 yr Levy or Med Big Bond																																										
2 Year Levy OR	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						
30 Year Bond (Assume Bond)	Plan																																									
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	3.15	3.15	3.15	1.75	1.75	1.75	1.75
2. Future Bond Options																																										
20 to 30 Year Bond	Plan																																									
Total Rate 2a																																										

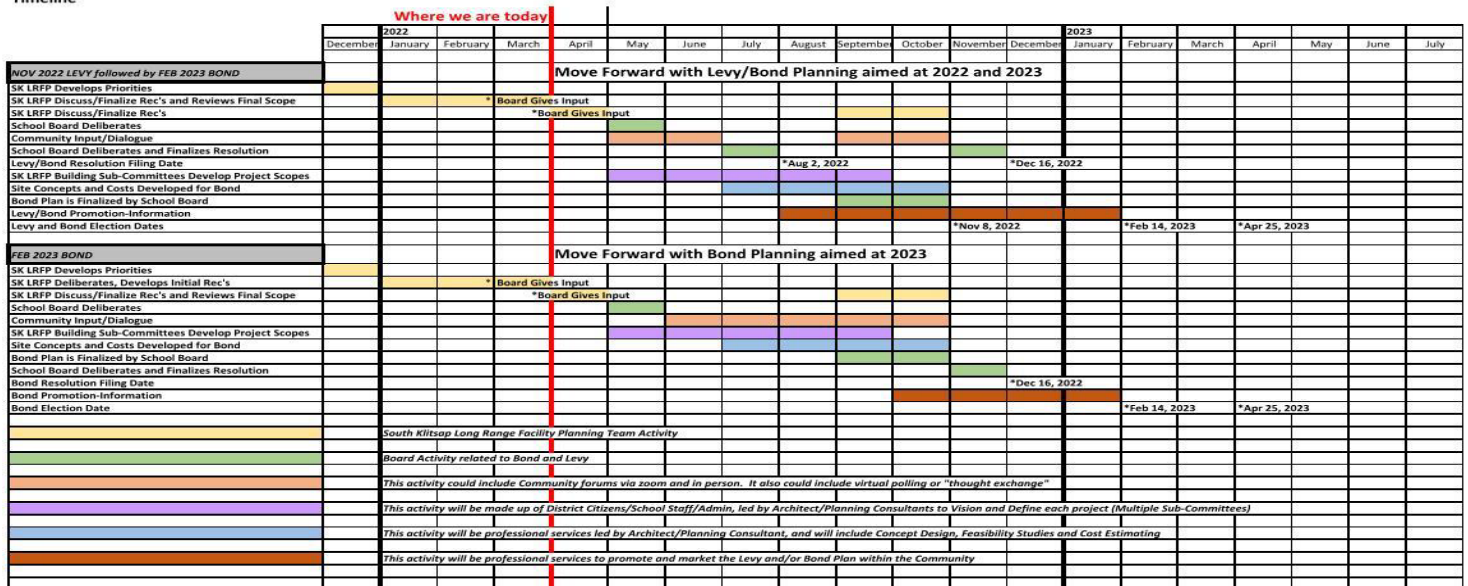
South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

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



April 2022

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

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: $\$247/\text{sf} \times 57.11\% \times 1.12 = \mathbf{\$158/SF}$

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

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

April 2022

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

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**

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

April 2022

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

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
Total			\$44,000,000

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

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

2022	Escalation	x1.05	
2023	Escalation	x1.05	
2024	Escalation	x1.05	
2025	Escalation	x1.05	\$80,357,118
Total			\$81,000,000

South Colby Elementary School Replacement (Assume 65,000 SF)

Total Area:	\$630/SF x 65,000 SF = \$40,950,000
Less Matchable Area:	-\$158/SF x 30,000 SF = \$4,740,000
Subtotal	\$36,210,000

2022	Escalation	x1.05	
------	------------	-------	--

April 2022

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

2023	Escalation	x1.05	
2024	Escalation	x1.05	
2025	Escalation	x1.05	\$44,013,481
Total			\$45,000,000

Olalla Elementary School Replacement (Assume 65,000 SF)

Total Area:	\$630/SF x 65,000 SF = \$40,950,000
Less Matchable Area:	-\$158/SF x 44,000 SF = \$6,952,000
Subtotal	\$33,998,000

2022	Escalation	x1.05	
2023	Escalation	x1.05	
2024	Escalation	x1.05	
2025	Escalation	x1.05	\$41,324,782
Total			\$42,000,000

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
Total Matchable New Area:	\$630/SF x 45,000 SF = \$28,350,000
Less Matchable Area:	-\$158/SF x 45,000 SF = \$7,110,000
Subtotal	\$27,540,000

2022	Escalation	x1.05	
2023	Escalation	x1.05	
2024	Escalation	x1.05	
2025	Escalation	x1.05	\$33,475,042
Total			\$34,000,000

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:	-\$158/SF x 280,000 SF = \$44,240,000
Subtotal	\$104,720,000

2022	Escalation	x1.05	
2023	Escalation	x1.05	
2024	Escalation	x1.05	
2025	Escalation	x1.05	\$127,287,814
Total			\$128,000,000

April 2022

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

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

Total Area:				$\$630/\text{SF} \times 80,000 \text{ SF} = \$50,400,000$
Less Matchable Area:				$-(\$158/\text{SF} \times 80,000 \text{ SF} = \$12,640,000)$
		Subtotal		\$37,760,000
2022	Escalation		x1.05	
2023	Escalation		x1.05	
2024	Escalation		x1.05	
2025	Escalation		x1.05	\$45,897,516
Total				\$46,000,000

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

Total Area:				$\$630/\text{SF} \times 35,000 \text{ SF} = \$22,050,000$
		Subtotal		\$22,050,000
2022	Escalation		x1.05	
2023	Escalation		x1.05	
2024	Escalation		x1.05	
2025	Escalation		x1.05	\$26,801,912
Total				\$27,000,000

***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)

April 2022

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

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

April 2022

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

\$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

April 2022

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

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

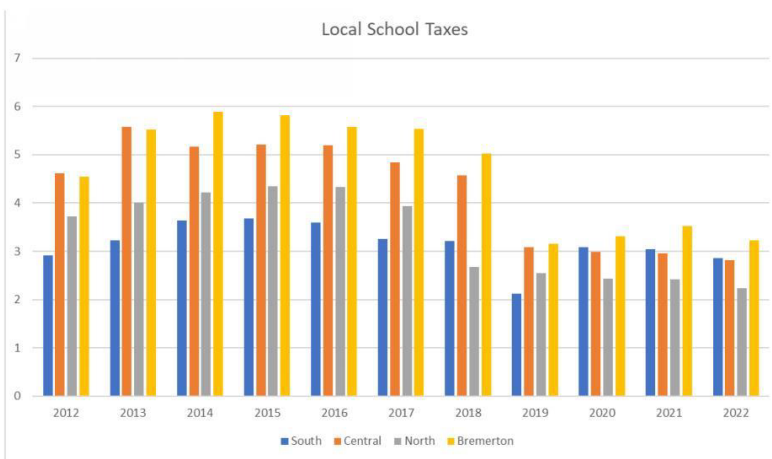
30 Year Capital Bond (2025-2050): \$1.30/thousand

April 2022

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

APPENDIX 4

Tax Information



South Kitsap 2022
Local Tax Collection:

Educational
Programs &
Operations Levy:
\$2.37

Capital Levy: \$.49

Total Rate: \$2.86

April 2022

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

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 | KANSASCITY | LONDON | LOS ANGELES | MEMPHIS | NEW YORK | OMAHA | PHILADELPHIA | PHOENIX | PORTLAND | SAN FRANCISCO | SEATTLE

April 2022

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

Disclosure

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a "recommendation" or "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Sandler expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Sandler could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Sandler as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and FINRA; in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; and in Hong Kong through Piper Sandler Hong Kong Ltd., authorized and regulated by the Securities and Futures Commission. Asset management products and services are offered through separate investment advisory affiliates.

© 2021 Piper Sandler Companies. 800 Nicollet Mall, Minneapolis, Minnesota 55402-7036

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

Our Firm

Realize the Power of Partnership®

**Piper Sandler is a
leading investment
bank and institutional
securities firm**



- **Reputation for client-first approach and straightforward advice**
- **Deep expertise and market leadership in focus industry sectors**
- **Strategic advisory relationships and expert execution**
- **120+ year track record of delivering results**

INVESTMENT BANKING AND EQUITIES

Investment Banking

- M&A Advisory
- Capital Markets
- Restructuring & Special Situations
- Merchant Banking

Equities

- Institutional Sales & Trading
- Equity Research
- Technical Research

PUBLIC FINANCE AND FIXED INCOME SERVICES

- Public Finance
- Municipal Underwriting, Sales & Trading
- Taxable Sales & Trading
- Strategic Analytics

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and FINRA, in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority, and in Hong Kong through Piper Sandler Hong Kong Ltd., authorized and regulated by the Securities and Futures Commission. Asset management products and services are offered through separate investment advisory affiliates.

© 2020 Piper Sandler Companies. 800 Nicollet Mall, Minneapolis, Minnesota 55402-7036

April 2022

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

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

April 2022

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

Election Dates

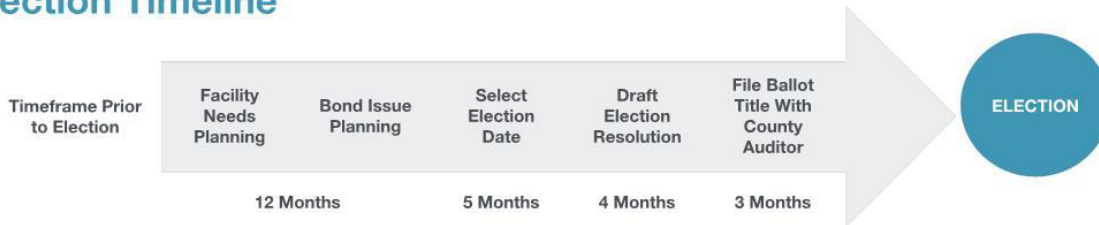
2021-2022-2023 Election and Resolution Filing Dates, Under Current Law			
Election Date	Resolution Filing Date	Approximate Ballot Mailing Date ⁽¹⁾	Certification Date
April 27, 2021	February 26, 2021	April 9, 2021	May 7, 2021
August 3, 2021	May 14, 2021	July 16, 2021	August 17, 2021
November 2, 2021	August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

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

Election Timeline

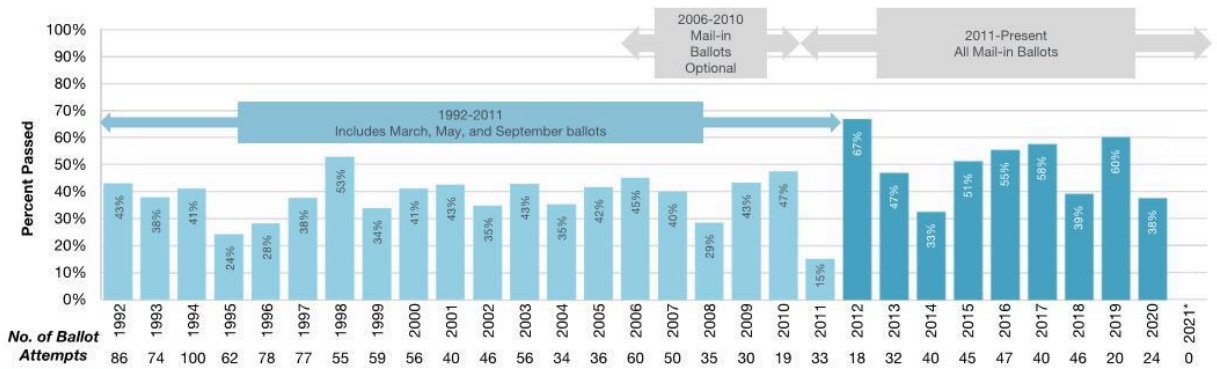
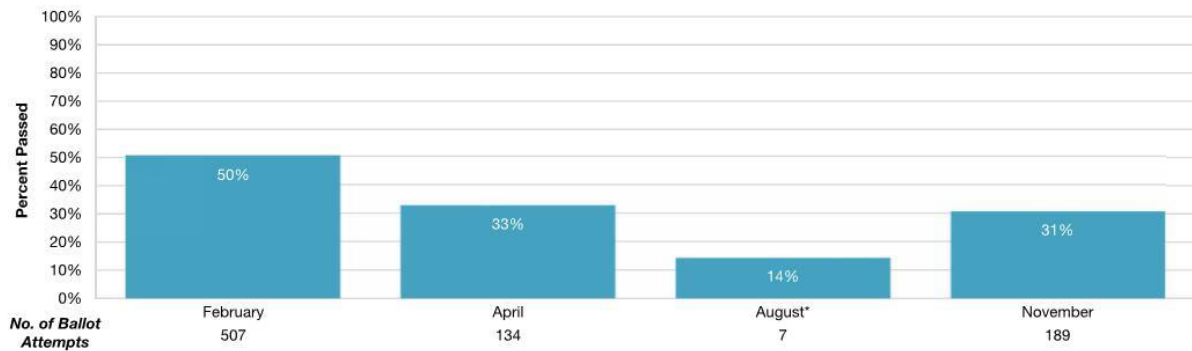


Calendar Year 2021 Planning Benchmarks for February 8, 2022 Bond Election	
February - July:	Facility Committee analysis of projects and community research.
July - August:	Facility Committee finalizes scope of projects, determines local share cost (i.e., maximum principal amount of bonds) and projected 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:	ELECTION.
February 18, 2022:	Election results certified.

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

Washington State K-12 Bond Election Results

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



*August elections began in 2007.

April 2022

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

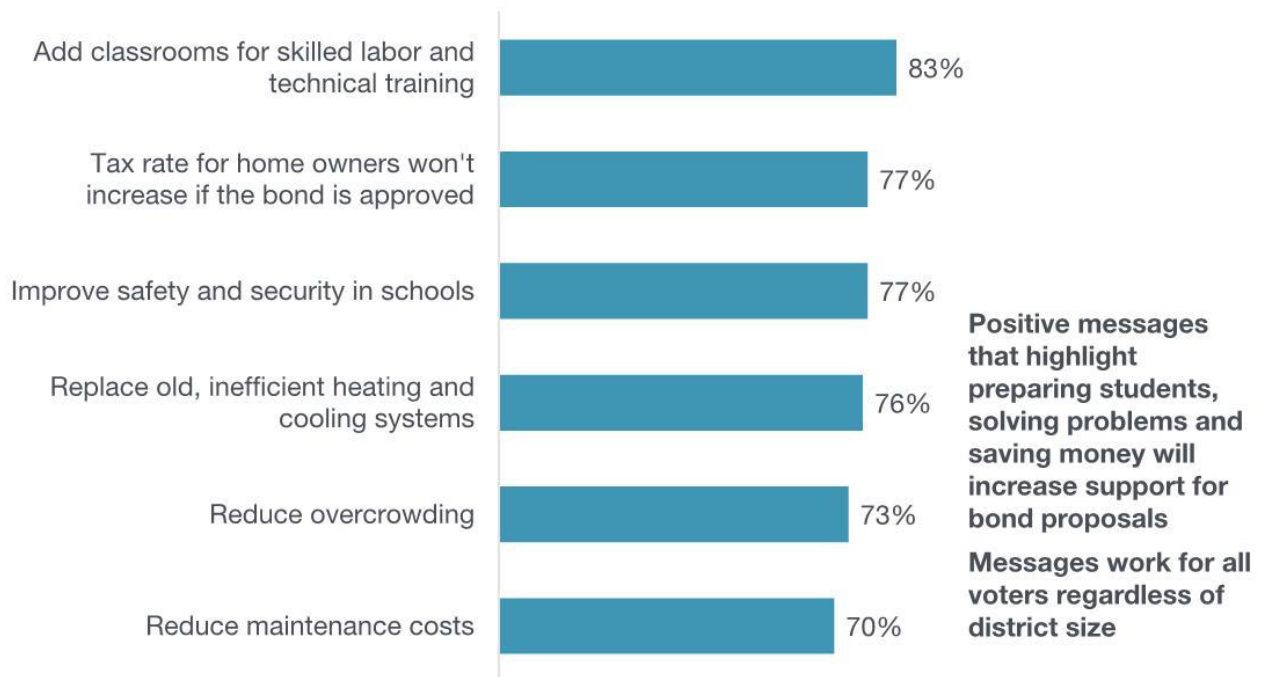
2020 Washington School Bond Election Results

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

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

More Effective Messages

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

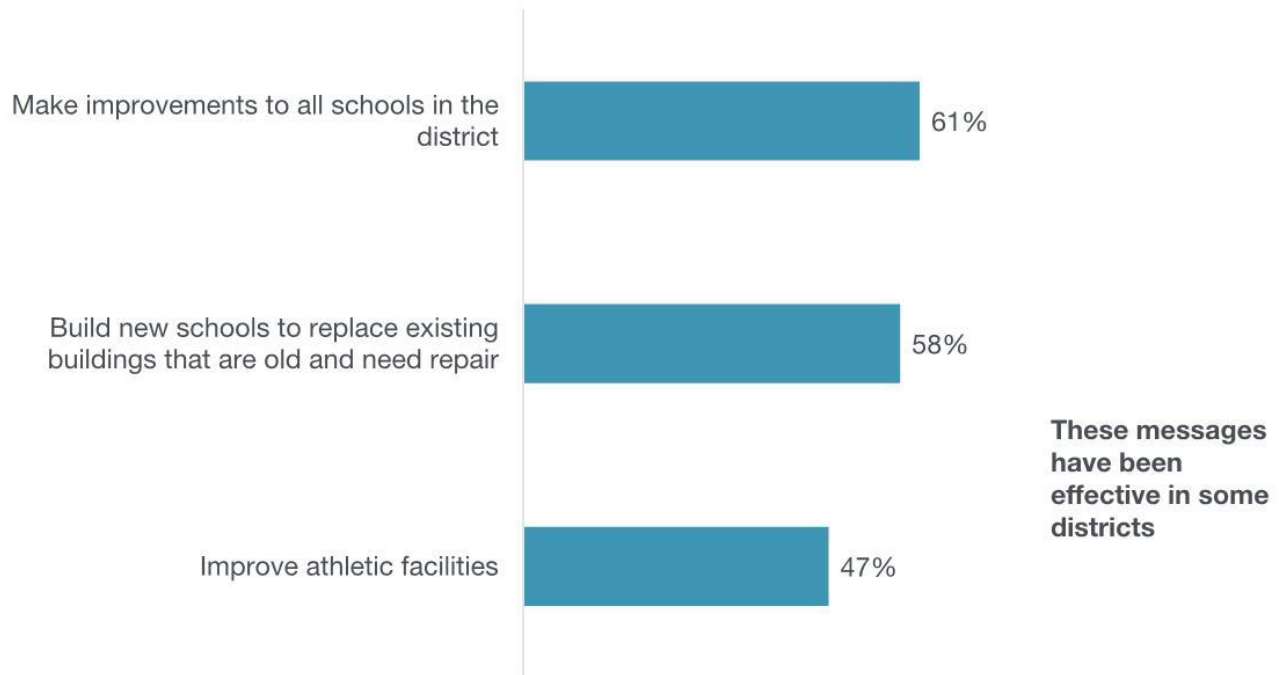


Source: CFM Strategic Communications, 2019 Washington Education Study

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

Less 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

April 2022

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

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

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

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

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

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

April 2022

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

Comparable Tax Rates

Kitsap and Mason County School Districts 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
South Kitsap SD No. 402	10,150,599,965	-	2.50	0.54	-	3.04
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

April 2022

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

Comparable Tax Rates

Washington School Districts 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
South Kitsap SD No. 402	10,150,599,965	-	2.50	0.54	-	3.04
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

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

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

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

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

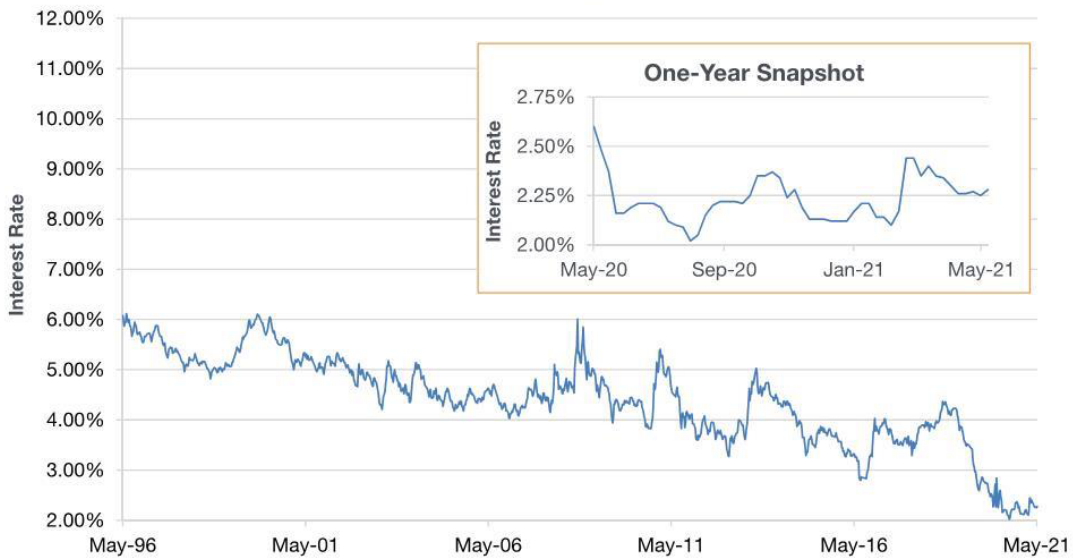
- What is the impact of the project on property owners (taxpayers)?
- Tax rates are the standard means of communicating the tax impact on property owners. The tax rate will be affected by the assumptions used for the following:
 - Interest Rates
 - Bond Rating
 - Assessed Value
 - Bond Structure

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

Interest Rates

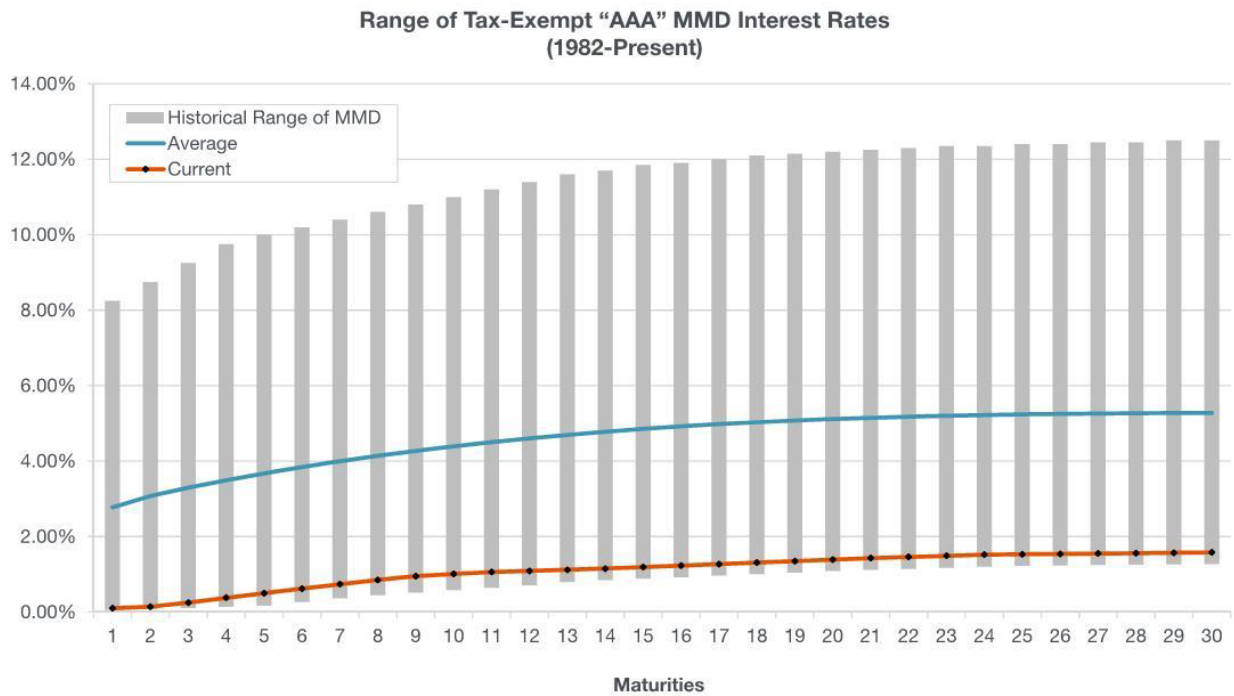
At a regularly scheduled meeting, on April 28, 2021, the Federal Reserve maintained its federal funds target range of 0.00% to 0.25%. This follows two unscheduled emergency rate cuts in 2020 in reaction to the economic slowdown instigated by the novel coronavirus pandemic. Since 2008, there have been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

General Obligation Bond Buyer Index History



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

Tax-Exempt “AAA” MMD Interest Rates



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

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

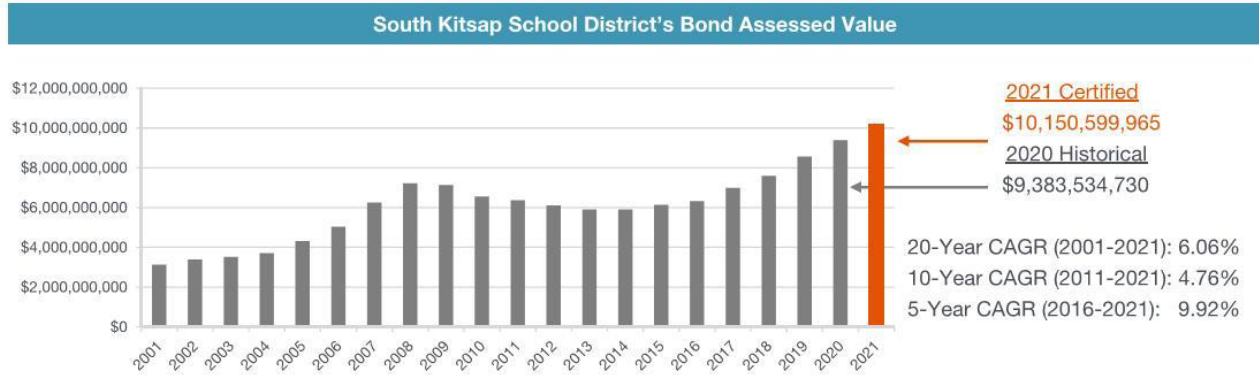
Governmental Factors

- 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



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

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?

April 2022

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

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%

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

Projected Tax Rates - \$100m Authorization

Calculation Factors																					
Rating:	Aaa (State Guarantee); NR (Underlying)																				
Interest Rates:	2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent																				
Assessed Value Increases at:	<table border="1"> <thead> <tr> <th></th> <th>R&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																				
Bonds Issued:	Issue 1 6/1/2022	Issue 2 6/1/2023	Issue 3 6/1/2024																		
Capital Projects Deposit:	\$35,000,000	\$30,000,000	\$100,000,000																		

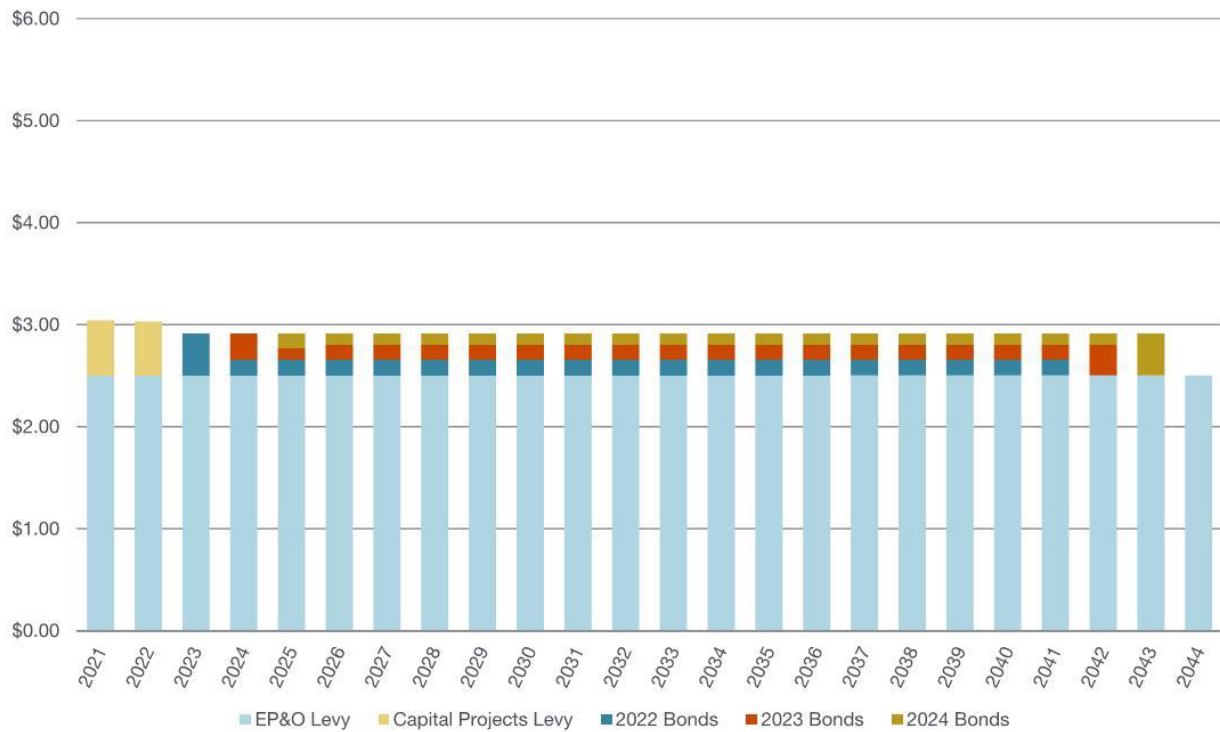
NOTES:
 (1) Certified levy amounts.
 (2) EP&O levy grows with AV. Voter approved Capital levy amount.

Levy Year	Bond Assessed Value	EP&O Assessed Value	(in 1,000's)				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	0	4,531	27,420	
2024	11,415,528	11,405,452	0	1,766	2,942	0	4,708	28,517	
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	6,180	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	3,298	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	
Total Debt Service:				\$49,683	\$50,868	\$43,764			
Total Interest:				\$17,203	\$18,778	\$16,919			
Net Interest Cost:				3.39%	3.44%	3.28%			
Skit_132_100m									

Levy Year	Prior Debt	2022 Issue	2023 Issue	2024 Issue	Total Bonds	Capital Levy	EP&O Levy	Combined Tax Rates
2021	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.54	\$2.50	\$3.04
2022	0.00	0.00	0.00	0.00	0.00	0.53	2.50	3.03
2023	0.00	0.41	0.00	0.00	0.41	0.00	2.50	2.91
2024	0.00	0.15	0.26	0.00	0.41	0.00	2.50	2.91
2025	0.00	0.15	0.11	0.15	0.41	0.00	2.50	2.91
2026	0.00	0.16	0.15	0.11	0.41	0.00	2.50	2.91
2027	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2028	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2029	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2030	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2031	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2032	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2033	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2034	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2035	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2036	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2037	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2038	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2039	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2040	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2041	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2042	0.00	0.00	0.30	0.11	0.41	0.00	2.50	2.91
2043	0.00	0.00	0.00	0.41	0.41	0.00	2.50	2.91
2044	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 FACILITIES

Tax Rate Graph - \$100m Authorization



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

Projected Tax Rates - \$200m Authorization

Calculation Factors																			
Rating:	Aaa (State Guarantee); NR (Underlying)																		
Interest Rates:	2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent																		
Assessed Value Increases at:																			
	<table border="1"> <thead> <tr> <th></th> <th>R&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																		
Bonds Issued:	<table border="1"> <thead> <tr> <th>Issue 1</th> <th>Issue 2</th> <th>Issue 3</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>6/1/2022</td> <td>6/1/2023</td> <td>6/1/2024</td> <td></td> </tr> </tbody> </table>	Issue 1	Issue 2	Issue 3	Total	6/1/2022	6/1/2023	6/1/2024											
Issue 1	Issue 2	Issue 3	Total																
6/1/2022	6/1/2023	6/1/2024																	
Capital Projects Deposit:	\$70,000,000 \$65,000,000 \$65,000,000 \$200,000,000																		

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	
			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	0	9,016	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	14,438,938	14,428,862	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	4,385	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	20,542,590	20,532,504	0	6,319	5,558	4,986	16,863	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	
Total Debt Service:			\$99,145	\$94,456	\$94,402				
Total Interest:			\$34,345	\$34,821	\$36,267				
Net Interest Cost:			3.99%	3.44%	3.27%				
Skit_131_200m									

Projected Tax Rates								
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	\$0.00	\$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	2.50	2.50	3.32
0.00	0.31	0.51	0.00	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.21	0.31	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.00	0.58	0.24	0.82	0.00	2.50	2.50	3.32
0.00	0.00	0.00	0.82	0.82	0.00	2.50	2.50	3.32
0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50	2.50

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

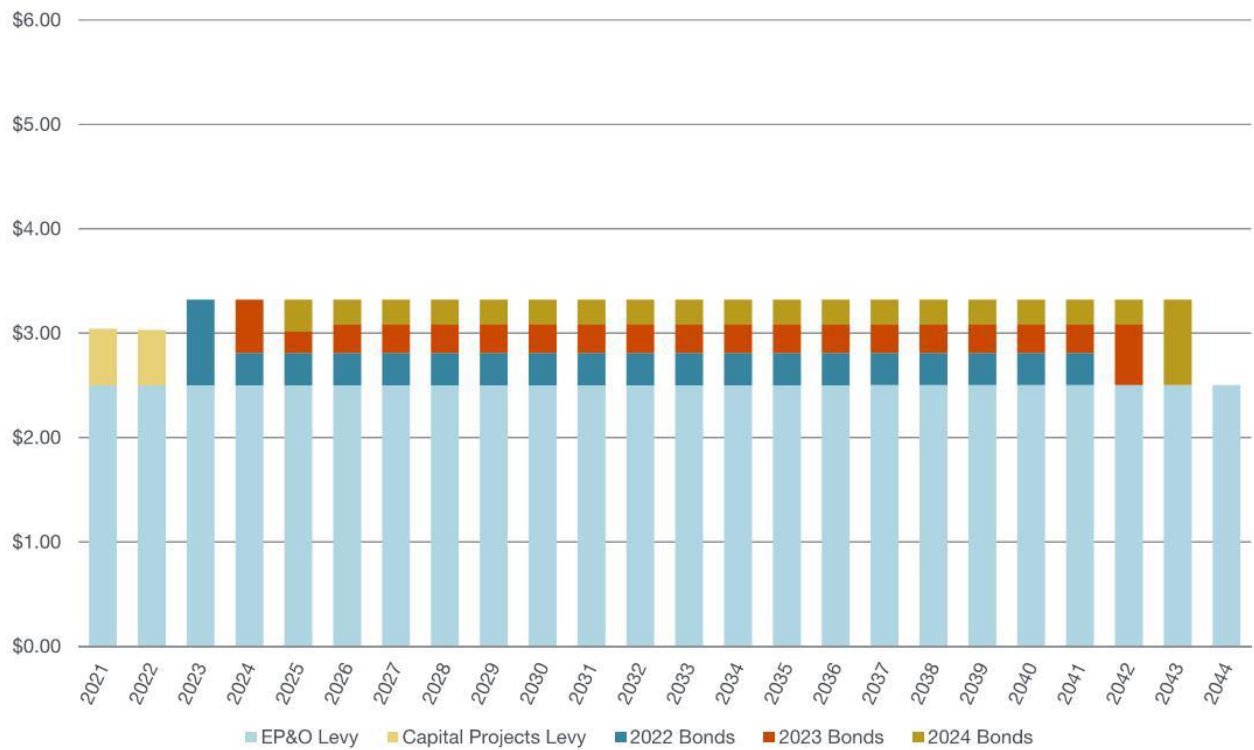
Tax Impact Analysis - \$200m Authorization

South Kitsap School District No. 402							
TAX IMPACT ANALYSIS							
Bond Authorization Amount:		\$200,000,000					
Estimated 2023 Tax Rate Increase over 2022 Tax Rate (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 FACILITIES

Tax Rate Graph - \$200m Authorization



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

Projected Tax Rates - \$300m Authorization

Calculation Factors																					
Rating:	Aaa (State Guarantee); NR (Underlying)																				
Interest Rates:	2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent																				
Assessed Value Increases at:	<table border="1"> <thead> <tr> <th></th> <th>R&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																				
Bonds Issued:	Issue 1 6/1/2022	Issue 2 6/1/2023	Issue 3 6/1/2024																		
Capital Projects Deposit:	\$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)				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	13,529	0	13,529	0	27,420		
2024	11,415,528	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	14,438,938	14,428,862	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	20,542,590	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		
Total Debt Service:				\$140,094	\$145,008	\$144,980				
Total Interest:				\$48,294	\$53,293	\$55,550				
Net Interest Cost:				3.39%	3.44%	3.27%				
Skit_130_300m										

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	\$0.54	\$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	0.00	1.23	0.00	2.50	3.73
0.00	0.43	0.80	0.00	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	0.00	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	

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

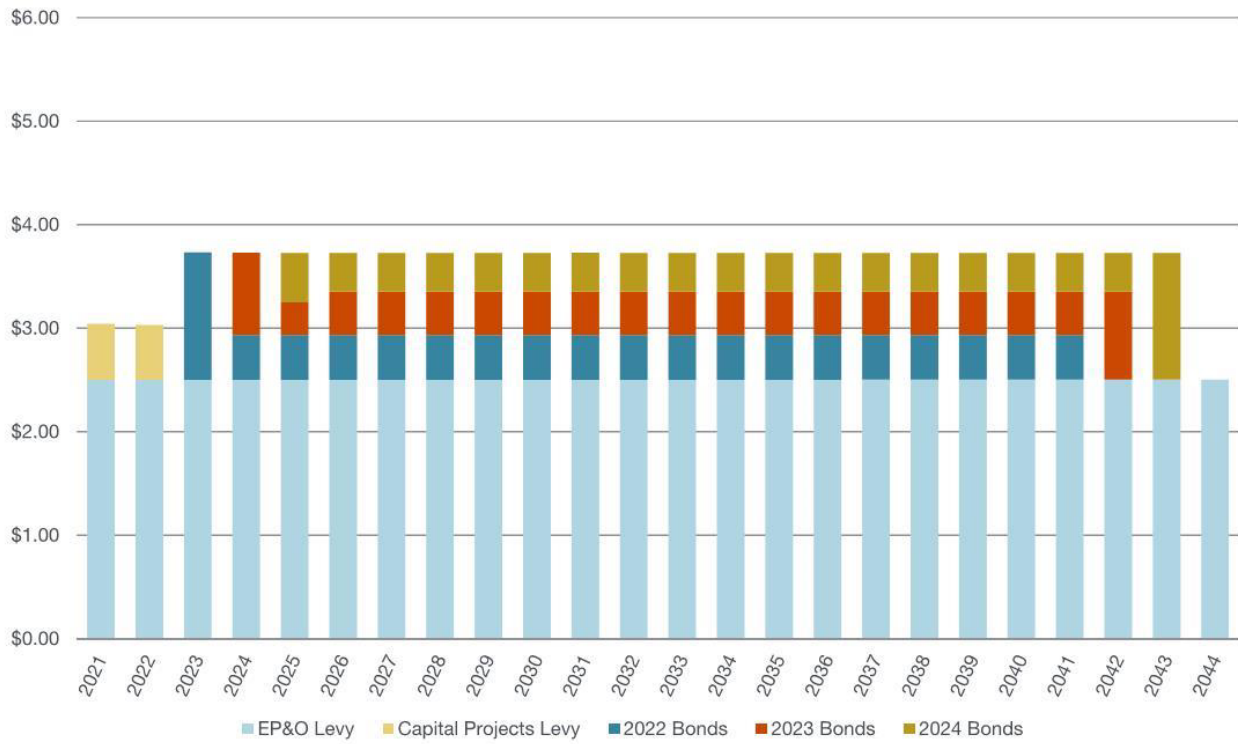
Tax Impact Analysis - \$300m Authorization

South Kitsap School District No. 402							
TAX IMPACT ANALYSIS							
Bond Authorization Amount:		\$300,000,000					
Estimated 2023 Tax Rate Increase over 2022 Tax Rate (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.

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

Tax Rate Graph - \$300m Authorization



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

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

April 2022

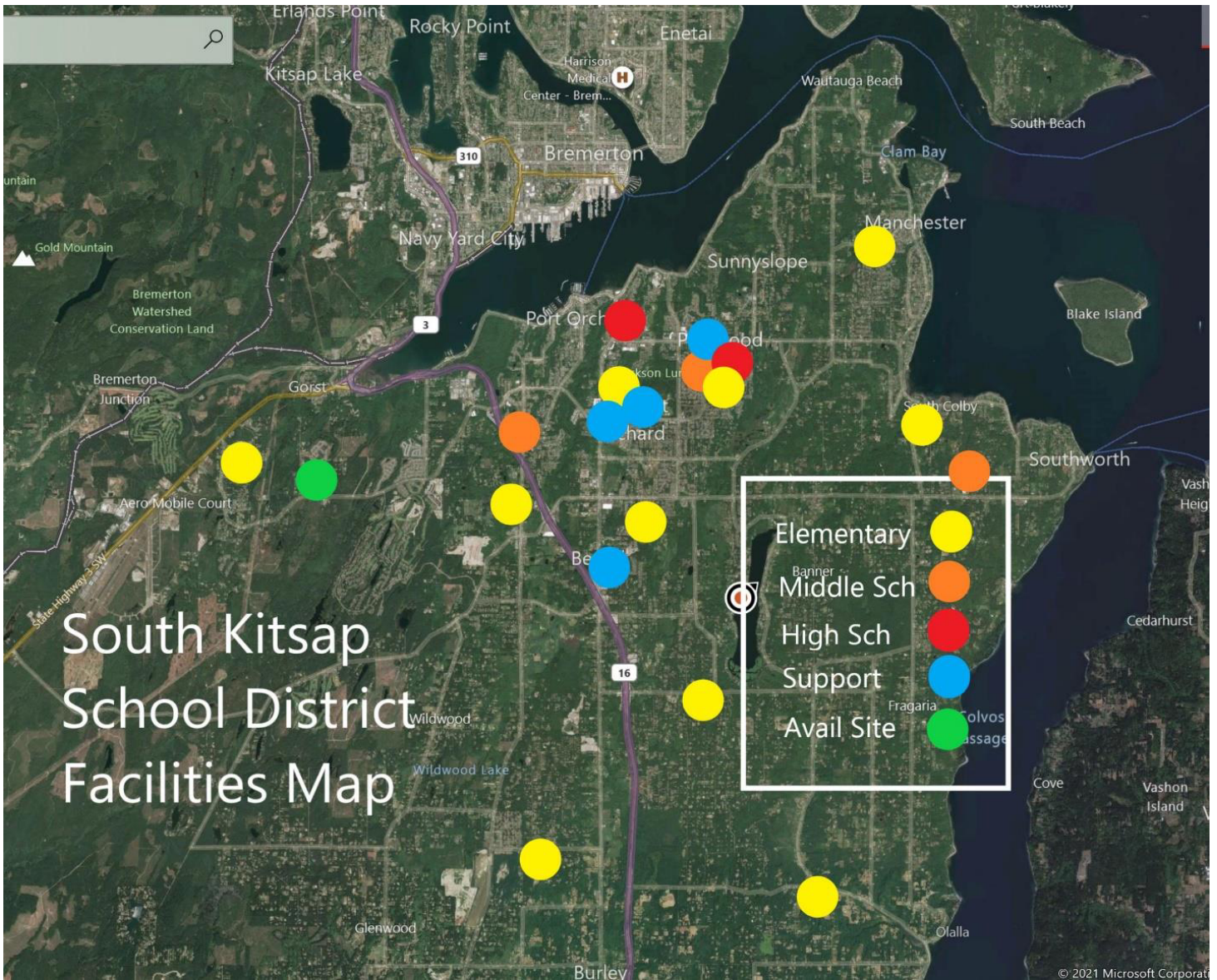
South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

APPENDIX 6

Following is a set images showing aerial imagery with a brief description of the assessment of each facility, including the categorization of the project, Minor Modernization to Replacement.

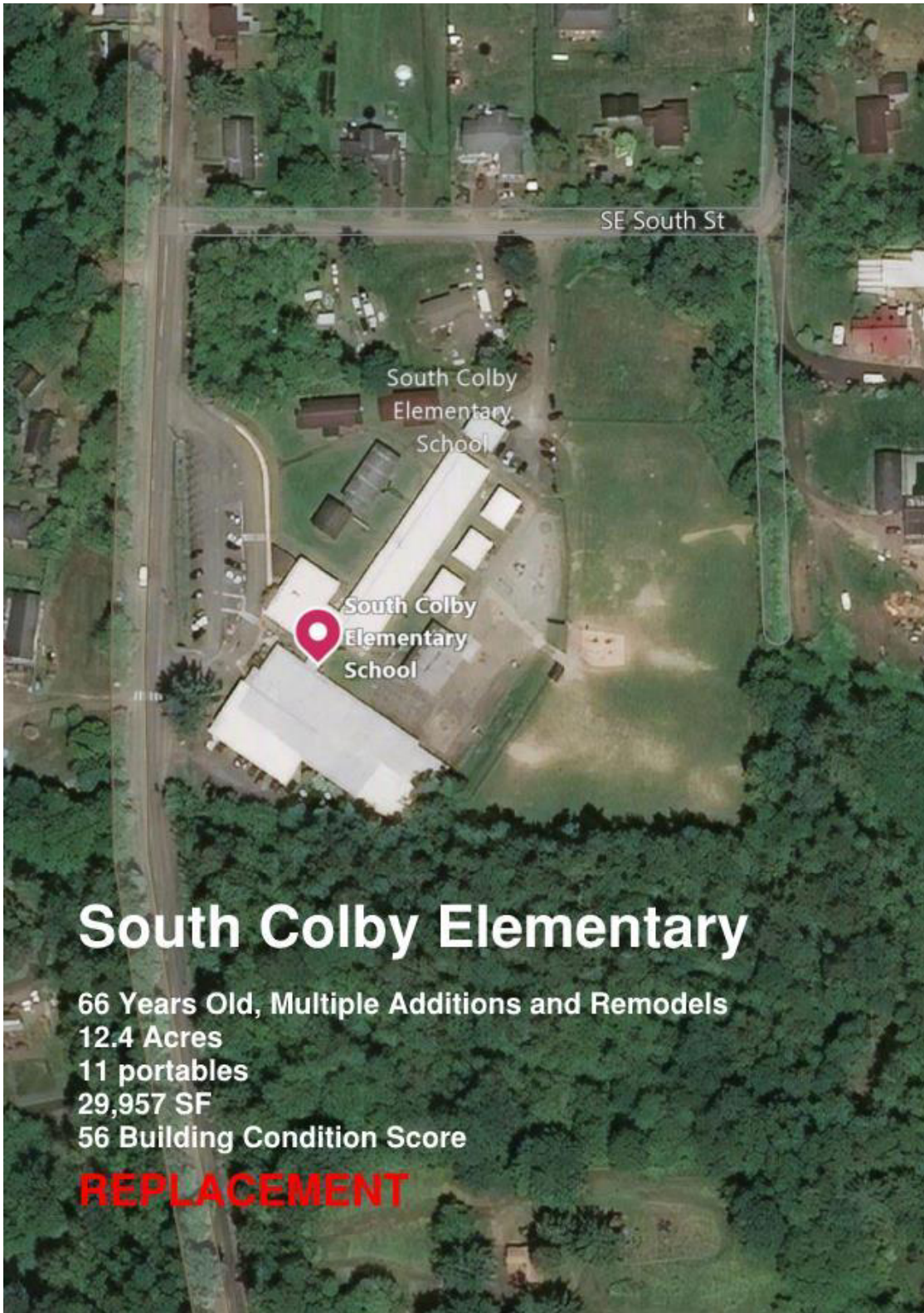
April 2022

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



April 2022

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



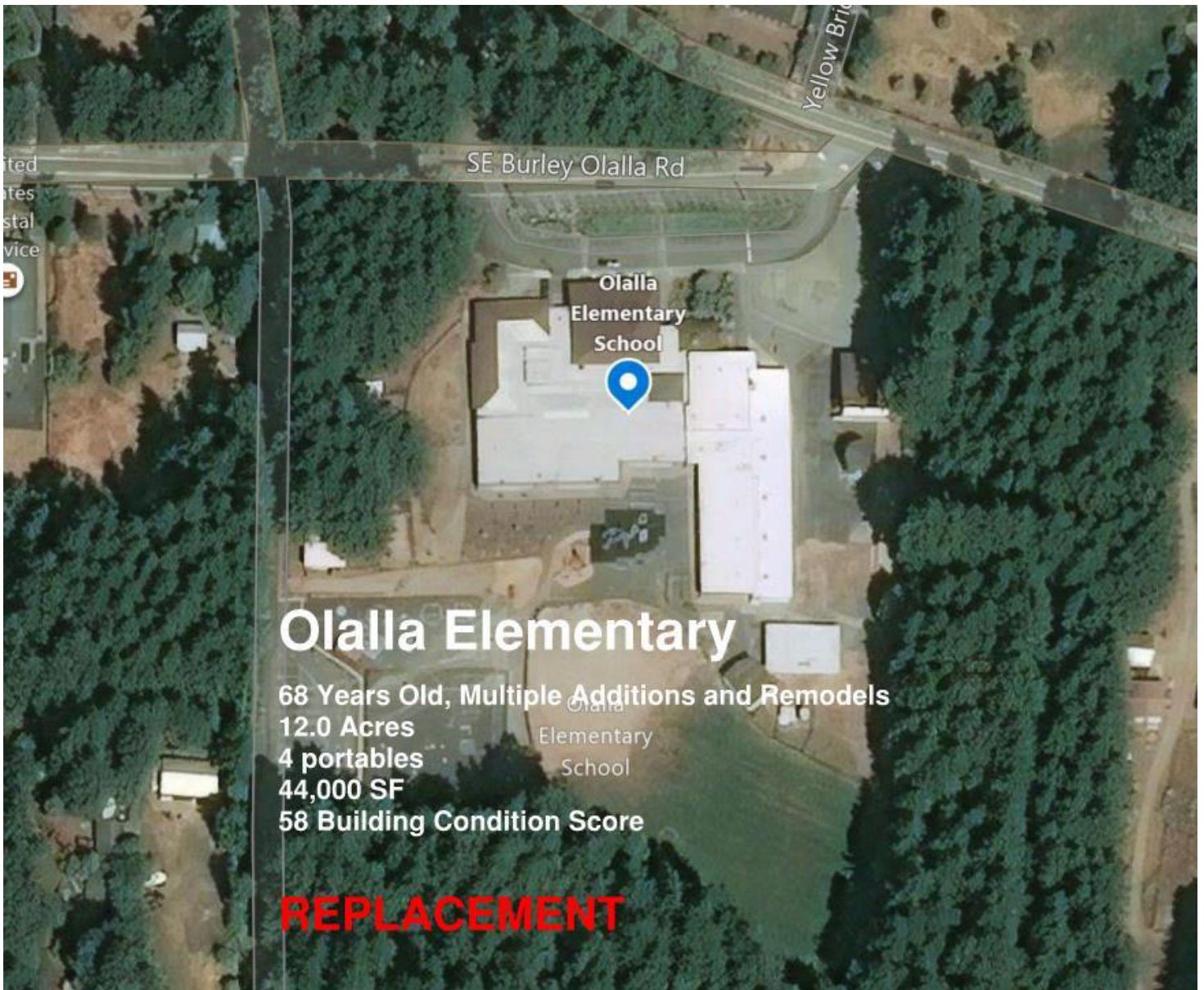
South Colby Elementary

66 Years Old, Multiple Additions and Remodels
12.4 Acres
11 portables
29,957 SF
56 Building Condition Score

REPLACEMENT

April 2022

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



April 2022

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



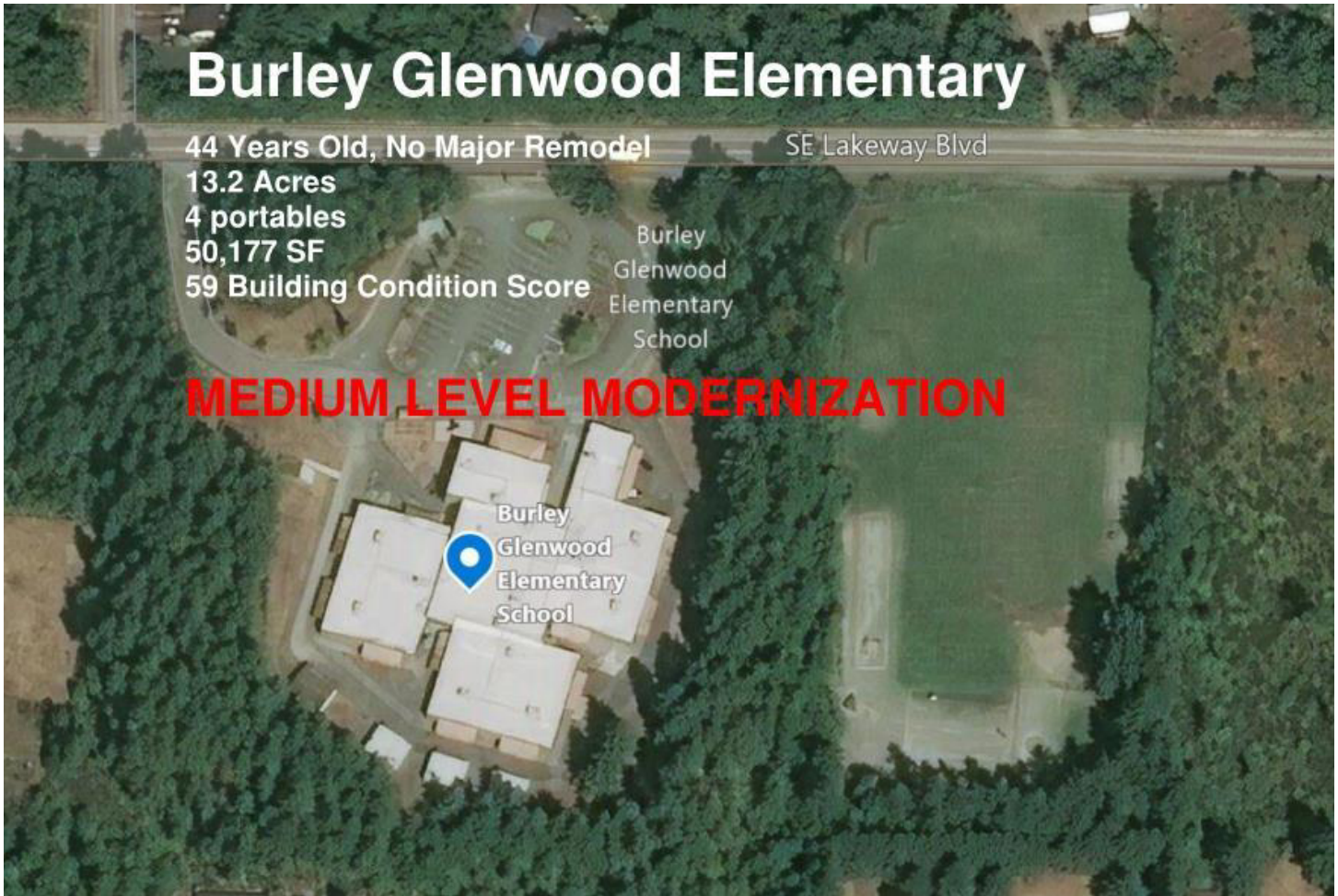
April 2022

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



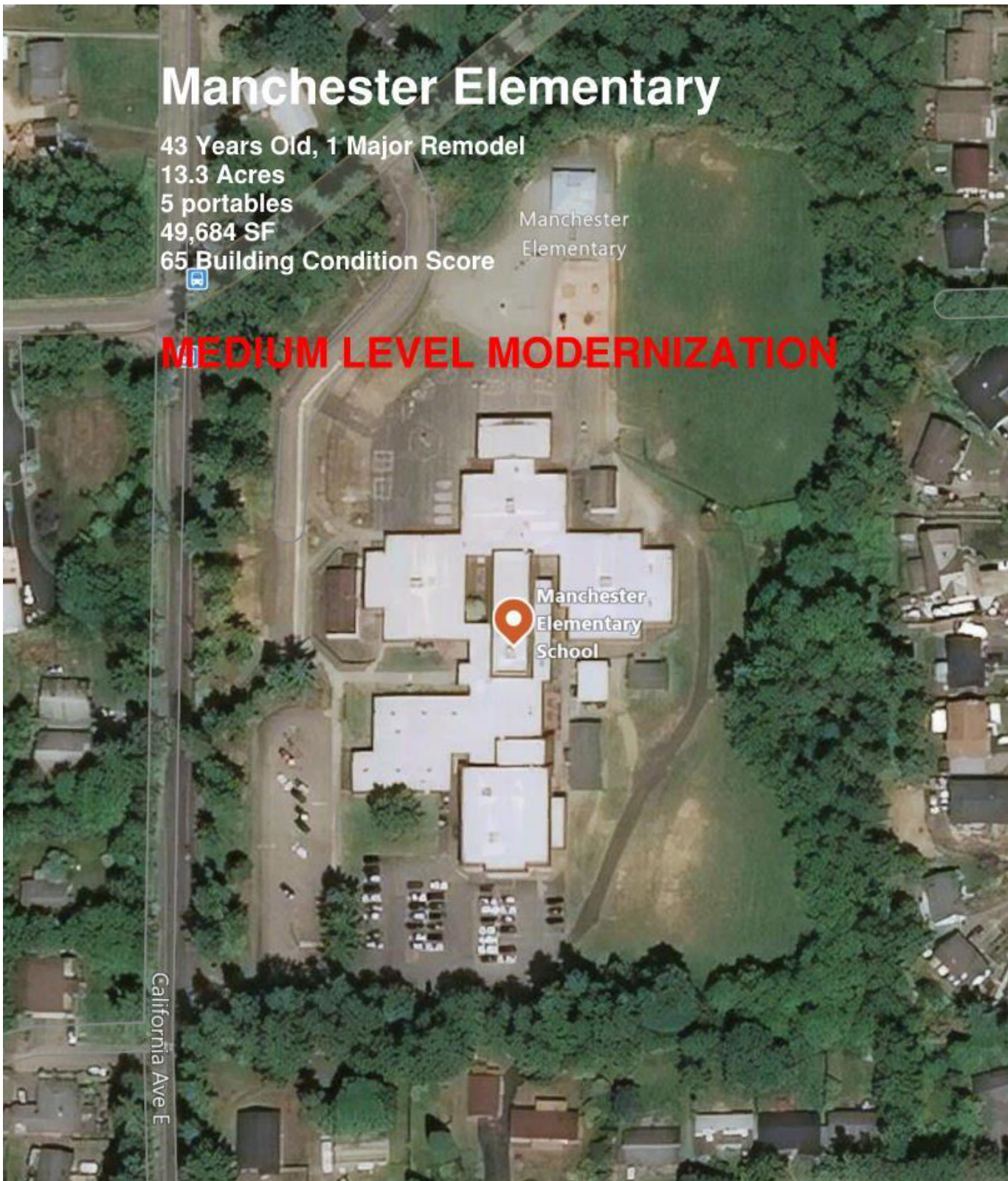
April 2022

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



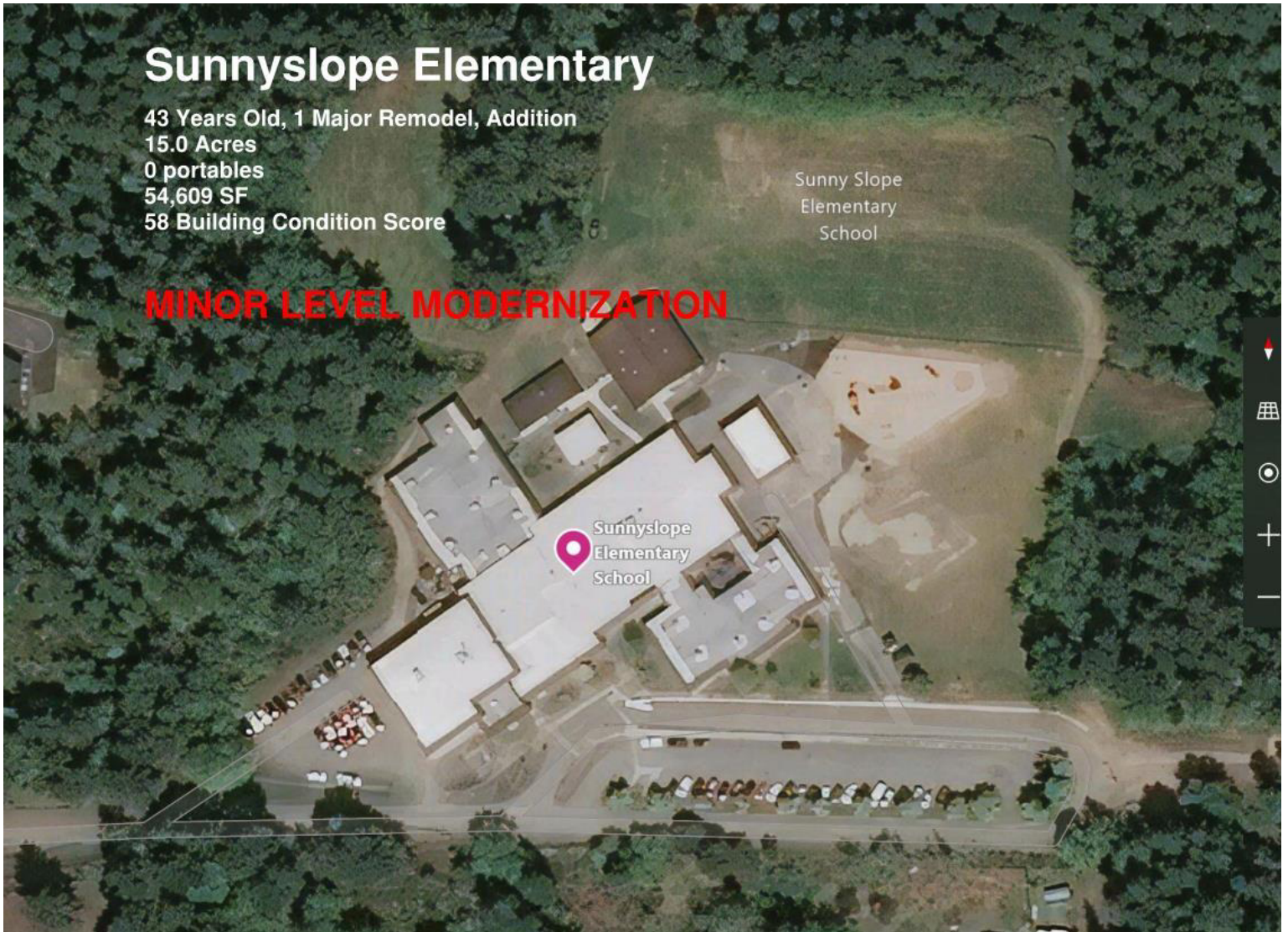
April 2022

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



April 2022

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



April 2022

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



Sidney Glen Elementary

32 Years Old, No Major Remodel
9.0 Acres
8 portables
48,470 SF
68 Building Condition Score

MINOR LEVEL MODERNIZATION

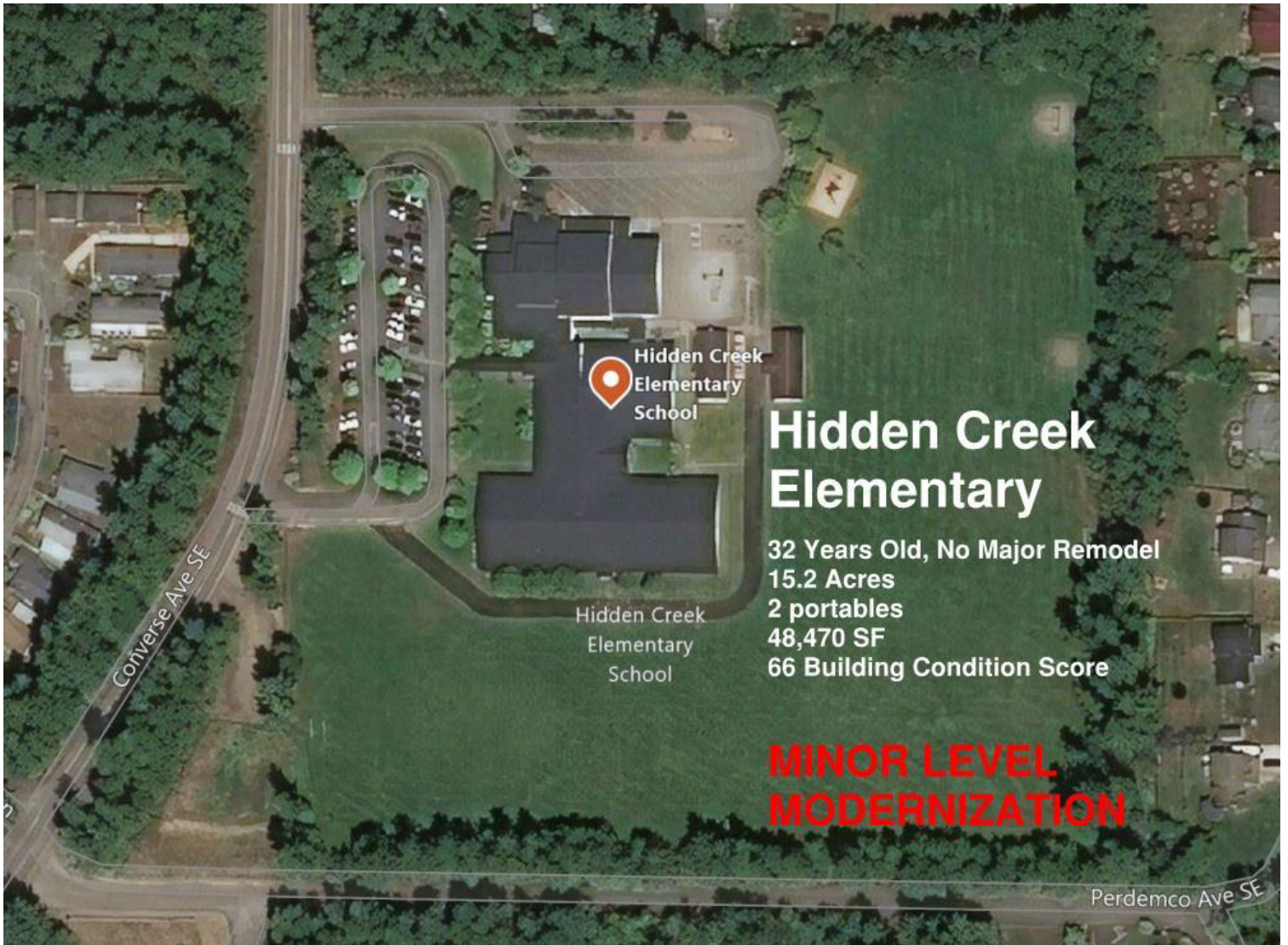
April 2022

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



April 2022

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



April 2022

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



April 2022

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



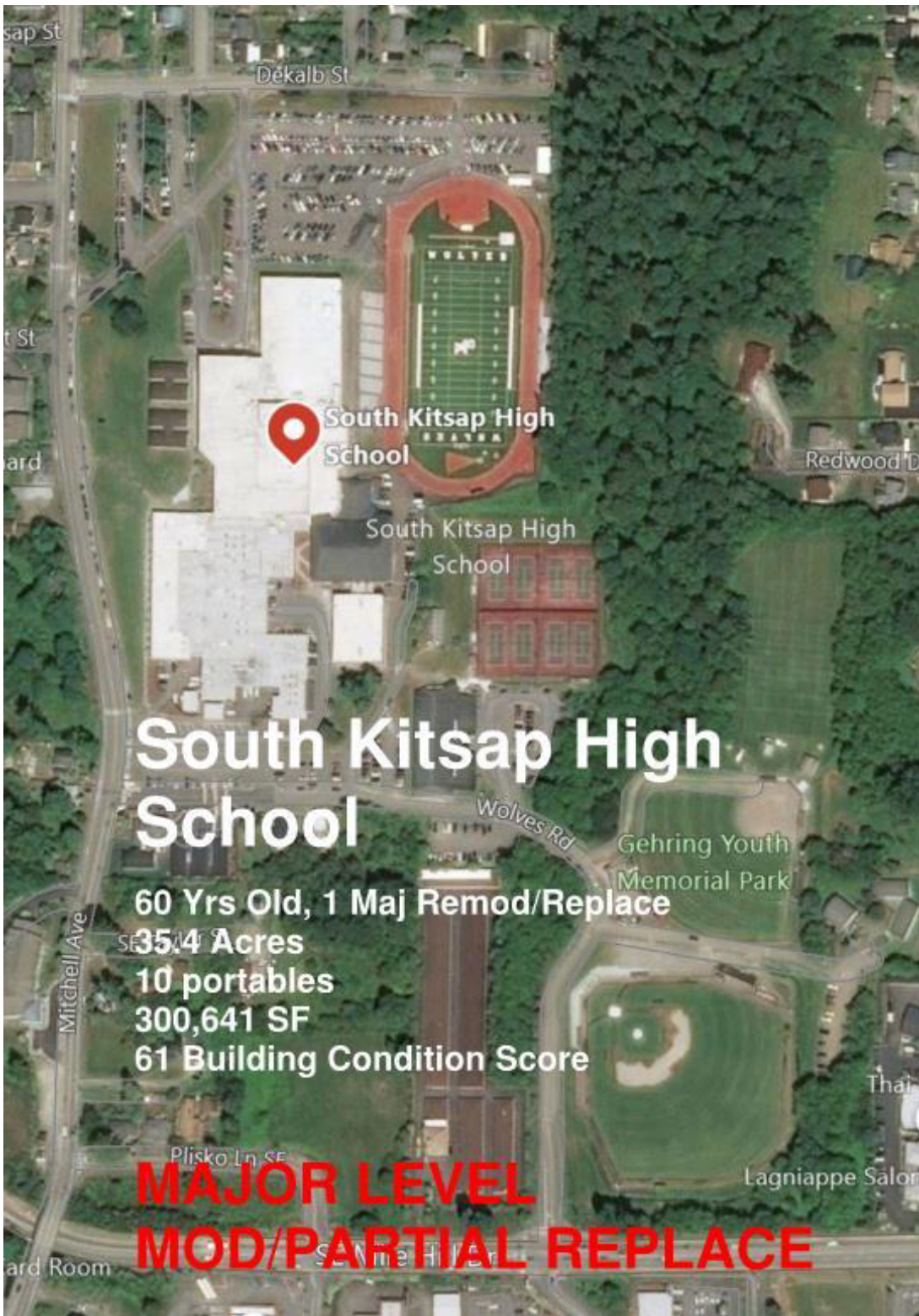
April 2022

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



April 2022

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



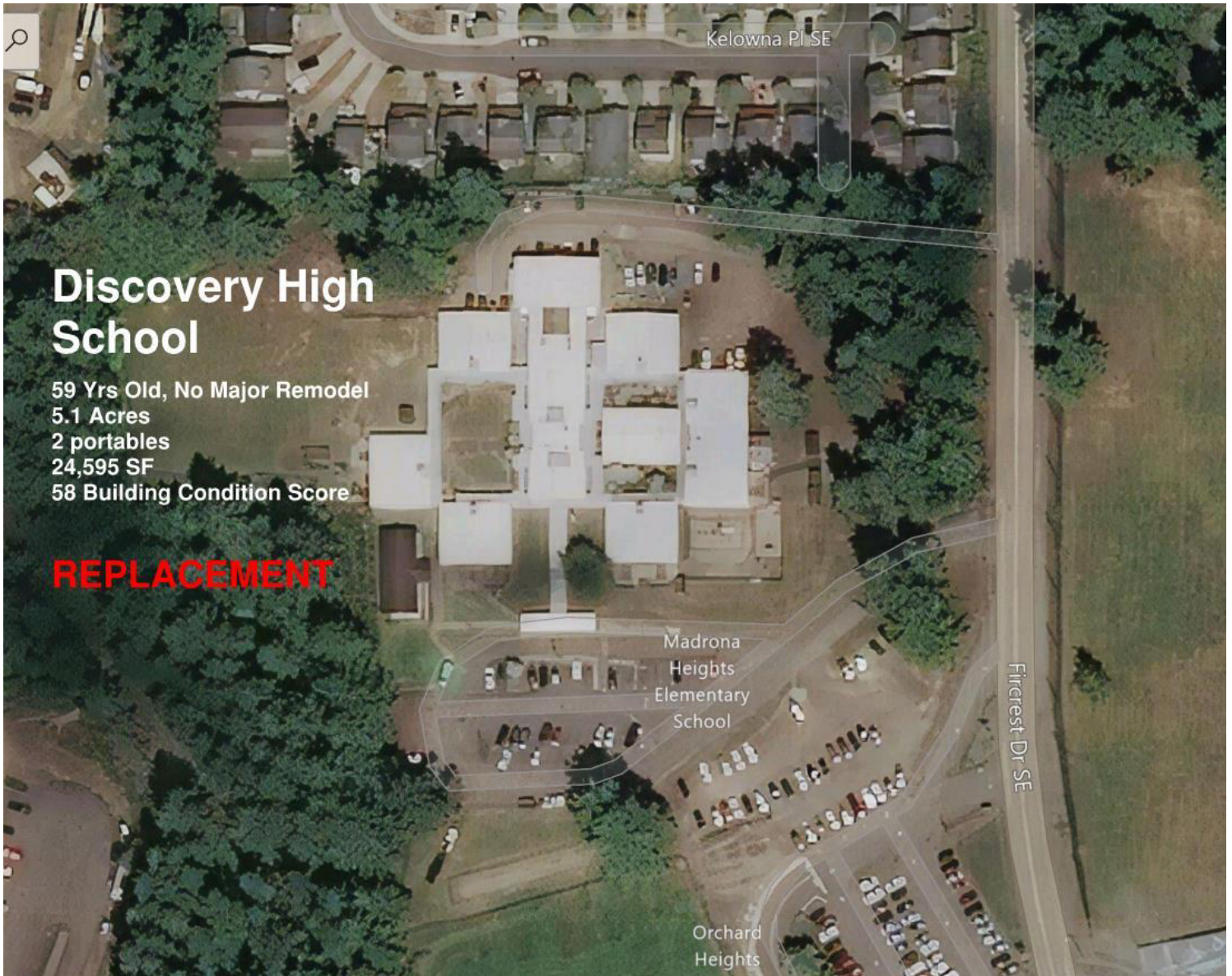
April 2022

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



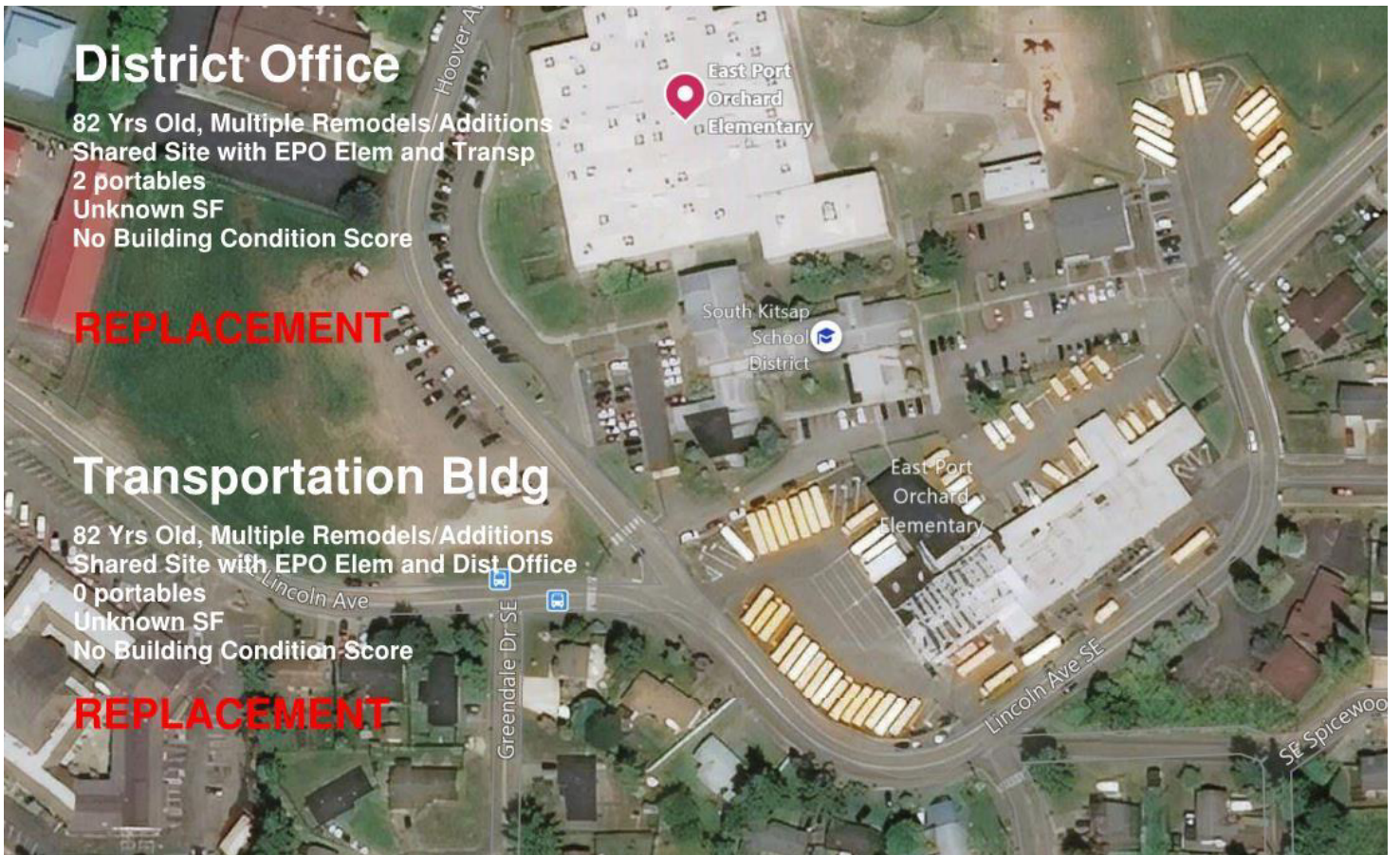
April 2022

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



April 2022

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



April 2022

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



April 2022

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

