

IMPARTIAL ANALYSIS OF MEASURE O

Tracy Unified School District, Board of Trustees' Resolution No. 23-18

Election Within the District's School Facilities Improvement District No. 3 on the Question of Whether Bonds Shall Be Issued and Sold for the Purpose of Financing Improvements to School Facilities within the Improvement District

Prepared by the San Joaquin County Counsel

The Board of Trustees of the Tracy Unified School District (the "District") proposes Measure O (the "Measure") for the School Facilities Improvement District No. 3, a sub-territory of the District. Approval of Measure O would authorize the District to issue and sell general obligation bonds in an aggregate principal amount not to exceed \$190,000,000 at interest rates not to exceed legal limits (the "Bonds"). Proceeds from the sale of bonds authorized by Measure O shall be used by the District to finance the construction, reconstruction, rehabilitation, or replacement of school facilities within the District's School Facilities Improvement District No. 3, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, as identified in the Bond Project List, which appears in the full text of the Measure as printed in the voter information pamphlet. No funds derived from the Bonds may be used for school operating expenses or teacher and administrator salaries.

Approval of Measure O does not guarantee that the proposed projects identified on the Bond Project List will be funded beyond the local revenues generated by the measure. The District plans to pursue additional funding such as State matching funds, if available. Project priorities will be determined by the District's Board of Trustees.

The Tax Rate Statement printed in the voter information pamphlet contains the District's best estimates of tax rates required to be levied to service the bond debt during the life of the Bonds. At the time that the Measure was filed, the best estimate of the average annual tax rate that would be required to fund the Bonds over the entire duration of the bond debt service, based on a projection of assessed valuations, is \$49 per \$100,000 of assessed value and it is currently anticipated that the tax will be collected until fiscal year 2055-56. The best estimate of total debt service, including the principal and interest, that would be required to be repaid if all the Bonds are issued and sold is approximately \$364,700,000.

To assure that funds derived from the Bonds are spent only for the purposes expressly stated in the Measure, Measure O would require the District to: (1) establish an independent citizens' oversight committee; (2) conduct annual, independent performance and financial audits; and, (3) direct the proceeds of the Bonds to be deposited into a special fund.

A "Yes" vote on Measure O is a vote to authorize the issuance of general obligation bonds in the amount of \$190,000,000 to be financed by an annual property tax to fund specified school facilities projects within the District's School Facilities Improvement District No. 3.

A “No” vote on Measure O is a vote against the issuance of the proposed general obligation bonds.

Measure O passes if 55% of the registered voters voting on the Measure vote “Yes”.