State College Area School District

State High Project
Financing
Information Fair – October 29, 2014
State High Project Financing

- Project Budget $115 million
- Referendum Debt $85 million
- Capital Reserves $10 million
- Non-referendum Debt $20 million
- State reimbursement $0 million

Updates since Referendum Election

- State reimbursement reinstated July 1, 2014
  – Estimated at $5 million
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• Referendum Debt will be funded from separate tax allocation
• Non-referendum Debt will be funded from current tax revenues
• Capital reserves are funds designated by district to be used for capital expenditures
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Referendum Debt

As of May 2014

• Estimated tax impact: 2.7 mills
• Property with market value of $250,000
  – Tax increase $190/year
  – $16/month

October 2014 estimates

• Estimated tax impact: 2.34 to 3.01 mills
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Considerations to financing plan

• Market interest rate at borrowing
• Fixed or variable interest rate
• Draw schedule
• Frequency and timing of borrowings
• Amortization or repayment period
• Bank loan versus bond sale
• Competitive versus negotiated bond sale
Additional considerations

• Local market participation
• Bond agency rating
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• District budget projections include funding available for capital projects in addition to State High project

• Current projections assume capital projects in 2017 and 2021
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Questions