

**ALBANY UNIFIED SCHOOL DISTRICT
BOARD AGENDA BACKUP
Regular Meeting of May 24, 2016**

ITEM: MEASURES B & E INFORMATION UPDATE
PREPARED BY: ALLAN GARDE, CHIEF BUSINESS OFFICIAL
TYPE OF ITEM: STAFF REPORT

PURPOSE: To provide an information update on Measures B & E for the Albany Unified School District.

BACKGROUND INFORMATION: Key Board Meeting Dates are noted below.

- *Seismic Safety Reports:*

At the [November 13, 2012 Board Meeting](#), the Board reviewed Seismic Evaluation Reports for Marin Elementary and Ocean View Elementary from R.P. Gallagher. At the [May 14, 2013 Board Meeting](#), the Board reviewed a second Opinion Seismic Evaluation Report from KPW Structural Engineers which reiterated the seismic deficiencies of Marin Elementary School and Ocean View Elementary School.

- *Overall Facilities Needs:*

At the [March 25, 2014 Board Meeting](#), the Board reviewed a Facilities Master Plan developed by WLC Architects. At the [May 12, 2015 Board Meeting](#), the Board was provided an update on current needs when studying the feasibility of a putting a bond measure on a future ballot.

- *Enrollment Growth and Review of Renovate v. Rebuild:*

At the [March 1, 2011 Board Meeting](#), the Board revised Board Policy 5117 and 5118 regarding Interdistrict Transfers and Open Enrollment. At the [August 11, 2015 Board Meeting](#), the Board reviewed the population growth impacts of the City of Albany 2035 projections by the City of Albany. The Board also reviewed an analysis of the benefits and challenges of renovating or rebuilding. The report noted that rebuilding would be slightly more expensive upfront, but would generate a wide range of benefits that make it more cost effective long-term.

- *Community Polling:*

At the [September 24, 2015 Special Workstudy](#), the Board was presented results of a community polling survey conducted by TBWB Strategies and Godbe Research.

- *Potential Costs:*

At the [October 27, 2015 Special Board Meeting](#), the Board reviewed the potential costs of placing two bond measures on the ballot from PFM Financial Advisors.

- *Sustainability:*

At the [December 8, 2015 Special Workstudy](#), the Board reviewed various Facilities Sustainability Options which ultimately led to the creation of the Sustainability / Integrated Design Committee to assist the District with the review of current and future facilities projects.

- *Ballot Language and Decision of June or November Election:*

At the [October 27, 2015 Regular Meeting](#), the Board approved June 7, 2016 as the date for the potential bond election. At the [January 26, 2016 Special Meeting](#), the Board reviewed the two bond measures and set priorities on facilities projects. At the [February 9, 2016 Regular Meeting](#), the Board reviewed and discussed the two bond measures. At the [February 23, 2016 Regular Meeting](#), the Board approved placing two bond measures on the June 7, 2016 Statewide Primary Ballot.

DETAILS: Measures B & E on the June 7, 2016 Statewide Primary Ballot are general obligation bonds developed to cost effectively address the seismic safety and expansion needs of Marin Elementary and Ocean View Elementary Schools, as well as current and long-term overcrowding concerns at Albany Middle School and Albany High School.

General Seismic Safety Information:

1. In April 2008, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey, the California Geological Society, and the Southern California Earthquake Center) reported that there is a 63% chance that one or more quakes of magnitude 6.7 or larger will occur in the Bay Area before the year 2038. In March 2015, the forecast was updated to a 72% chance with 30 years.
2. Excerpt from R.P. Gallagher Associates, Inc. Seismic Evaluation Reports from 2012: *The principal seismic threat to the school is a large earthquake on the nearby Hayward fault. A magnitude 6.8 to 7.0 earthquake on the northern segment of the fault would very strongly shake the site. The U.S. Geological Survey reports that the last five large events on the Hayward fault occurred at intervals of 95 to 160 years, with an average interval of 140 years (Ref. 4). The last large earthquake on the Hayward fault occurred in 1868, some 144 years ago.*

Should a magnitude 6.8 to 7.0 earthquake occur on the Hayward fault, it is likely that the buildings, in their present condition, will suffer serious structural damage and be unusable.

3. The Division of the State Architect (DSA) reviews Structural, Fire & Life Safety, and Accessibility Requirements for school buildings. Current seismic design requirements in the California Building Code are based on the last significant increase to “design loads,” which occurred in 1985 as a response to the 1971 San Fernando earthquake (magnitude 6.6). Design loads were increased by 30% in 1985. Because of its proximity to the Hayward fault, and other factors, seismic design requirement for new school buildings in Albany are currently among the highest in California.

Enrollment

1. Total enrollment has grown by over 900 since 2001.
2. Board Policy on Out-of-District Transfers was amended in 2010/11.
 - a. Only transfers of children of Albany Unified School District employees, homeless students, or students who moved are accepted.
 - b. All other transfers, currently 168 with a large concentration at Albany High, can complete their education in Albany.

KEY QUESTIONS/ANSWERS:

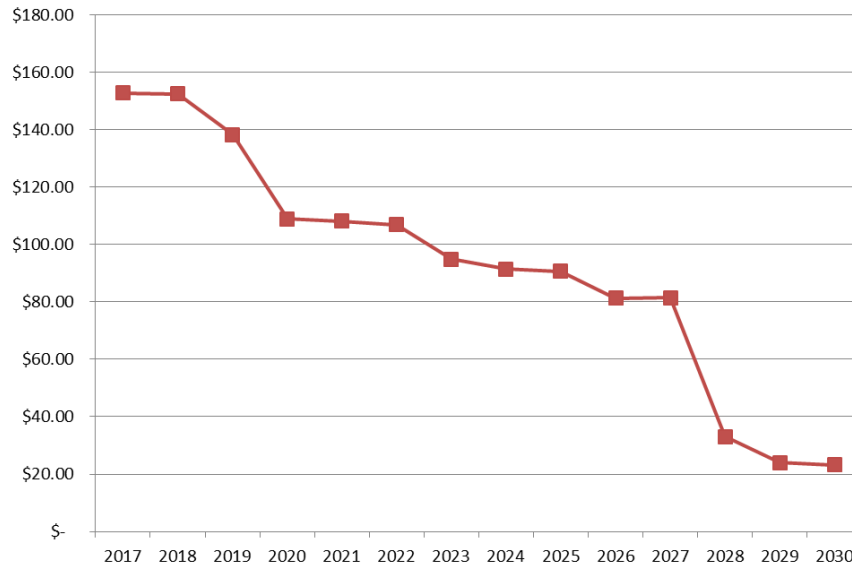
1. What is the median assessed value for a single-family home in Albany?
 - a. The median assessed value is \$359,802.
 - b. 21% of the single-family homes are assessed at or under \$100,000.
 - c. 4% of the single-family homes are assessed at or over \$900,000.
2. Who would pay these general obligation bond measures?

- a. All property owners (commercial and residential) would pay the same tax rate per \$100,000 in assessed valuation. The State does not allow any senior or low-income exemptions General Obligation bonds.

FINANCIAL INFORMATION:

The tax rate applied to Measures B & E would be known when bonds are sold. This tax rate would be in addition to the schedule of tax payments for current outstanding bonds:

Projected Tax Rate of Current Outstanding Bonds



STRATEGIC GOALS ADDRESSED: This Board Item addresses



Objective #3: Communicate and Lead Together.

Goal: All stakeholders will collaborate and communicate about decisions that guide the sites and district.

RECOMMENDATION: Review Information Update on Measures B & E



ALBANY UNIFIED SCHOOL DISTRICT

Val Williams, Superintendent
1051 Monroe Street, Albany CA 94706

Measures B & E Information Update

May 24, 2016

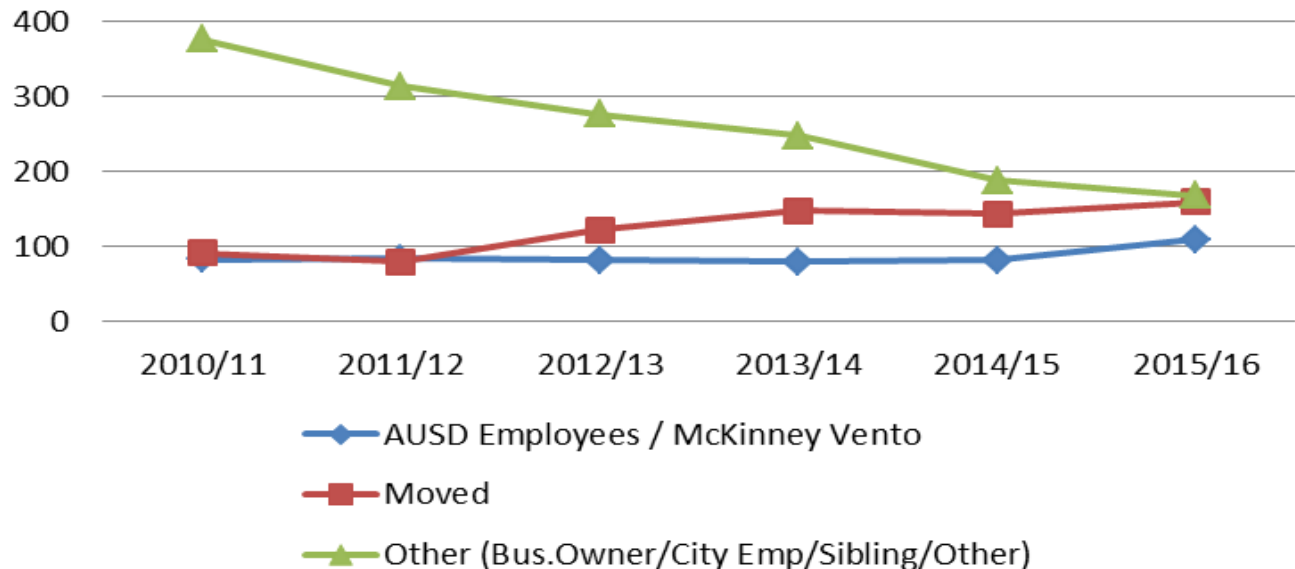
Allan Garde, Chief Business Official



Enrollment

- 2035 City General Plan projects a 10% growth in households and population within the City of Albany, which could bring an additional 600 students
- 2010/11 Board Policies regarding Interdistrict Transfers and Open Enrollment were revised
 - Annual Report to the Board to monitor out-of-district transfers
 - Currently concentrated at Albany High School
 - 2010/11: 376
 - 2015/16: 168

Interdistrict Transfers Per Year



Measures B & E

- Measure B is a \$70M Proposition 46 General Obligation Bond Measure
 - Requires 2/3 voter approval
 - Can only pay for buildings
- Measure E is a \$25M Proposition 39 General Obligation Bond Measure
 - Requires 55% voter approval (Most common)
 - Can pay for buildings, furniture, and equipment
- B & E intended to be transparent regarding long-term needs

| Bond Elections Since 2008 | |
|----------------------------|--------------------------|
| Number of School Districts | Number of Bond Elections |
| 48 | 2 |
| 17 | 3 |

Statewide School Bond in November

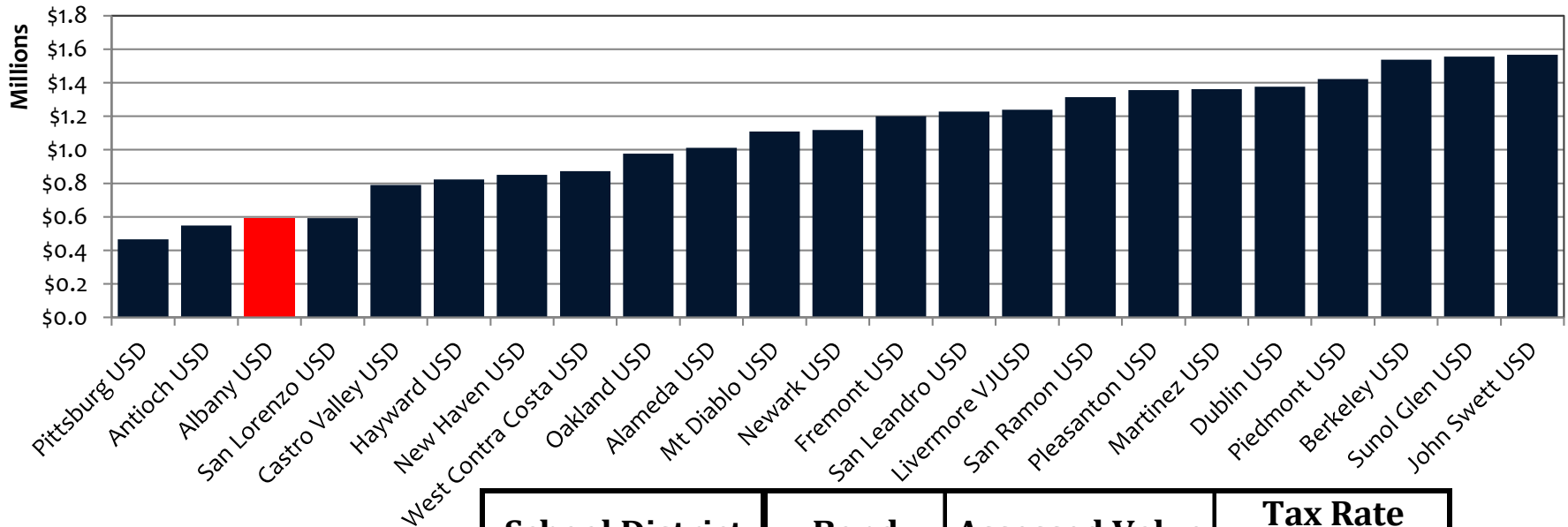
- Measures B & E will allow us to apply for and be eligible for State facility funds
- May not pass:
 - Governor does not support the Statewide bond
 - Governor not required to issue bonds, if it does pass
- State has not had a Statewide school bond since 2006
- Since 2008, there have been 578 school bond measures

| Bond Elections Since 2008 | |
|----------------------------|--------------------------|
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Costs of Measures B & E

- Size of Need and Assessed Valuation for the Agency are major factors of the Tax Rate

Assessed Value (AV) Per Student
(for all unified school districts in Alameda and Contra Costa Counties)



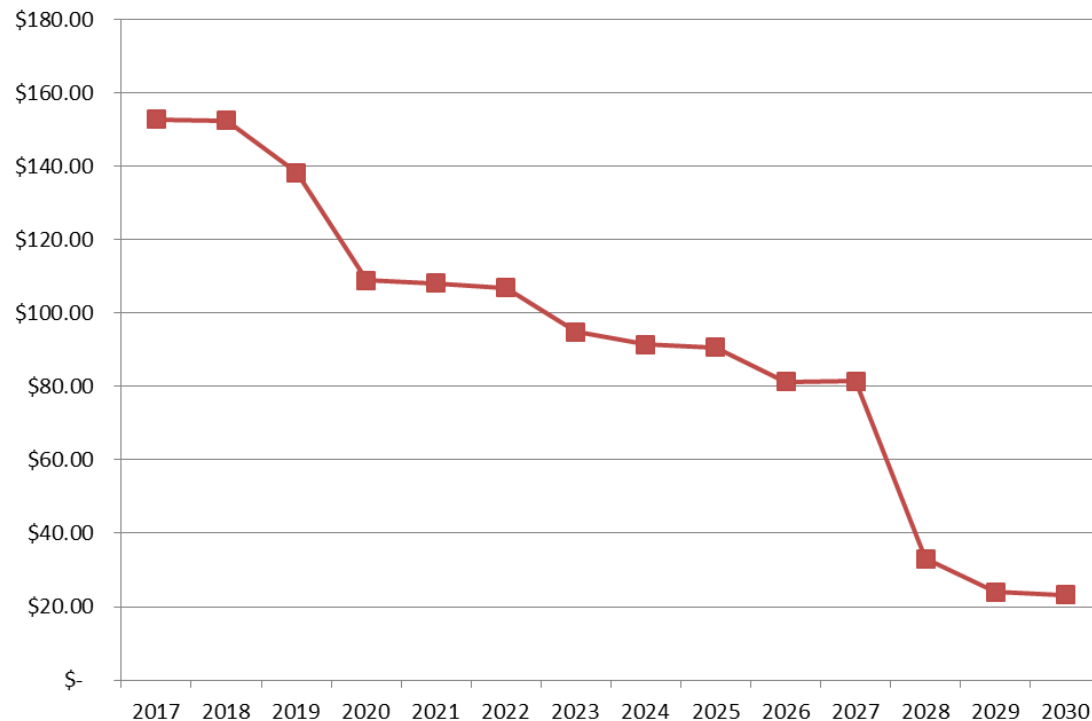
| School District (June 2016 Ballot) | Bond (in Millions) | Assessed Value (in Billions) | Tax Rate (Per \$100,000 in Assessed Value) |
|---------------------------------------|-----------------------|---------------------------------|--|
| Albany | \$95 | \$2.3 | \$180 |
| Castro Valley | \$123 | \$7.0 | \$60 |
| Dublin | \$283 | \$12.4 | \$60 |
| Livermore Valley | \$245 | \$15.2 | \$48 |

Costs of Measures B & E

- Measures B & E would be applied to all property taxpayers
 - Exemptions are not allowed for bond measures
- Review of Current Outstanding Bonds:

- Saved taxpayers \$4.0M in tax payments based on the 2009, 2012, and 2016 bond refundings

Projected Tax Rate of Current Outstanding Bonds



Projects for Measures B & E

- Rebuild and Expand Marin and Ocean View to address seismic safety and growth
 - Seismic requirements significantly increased in 1985
 - Marin and Ocean View were built in the early 1970s
 - Albany Middle and Albany High were built in the late 1990s
 - Cornell was seismically retrofitted in the early 2000s
 - 30% of our Elementary Classrooms are portables
 - (22 of 71)
- Build Classroom Wings for Albany Middle and Albany High to address current and future growth

| School | Originally Built for Approximately | Current Enrollment | City of Albany 2035 Projection (Low) | City of Albany 2035 Projection (High) |
|--------|------------------------------------|--------------------|--------------------------------------|---------------------------------------|
| AMS | 600 | 895 | 933 | 1,010 |
| AHS | 1,000 | 1,226 | 1,276 | 1,376 |