



MONTEREY PENINSULA
COLLEGE

Making Your Facilities Master Plan Vision a Reality: Key Considerations in 2016



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FM3

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Subject Matter Experts

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Project Objectives

- Share current Best Practices with the MPC team
- Conduct independent analysis of how public priorities and perspectives align or not, with MPC's current planning and priorities
- Determine the community's interest-- if any--in a possible education bond
- Advise the District of whether it should preserve the option of a November 2016 election

Project Highlights

- A community survey conducted by FM3 Research was fielded earlier this month
- Among other findings, this survey shows that an MPC Bond of up to \$275 Million is viable in November 2016
 - The bond amount tested was a placeholder based on the District's needs and your Prop. 39 bonding capacity
 - Testing this amount in no way restricts the Board's ability to choose a different bond amount, should you decide to proceed
- Should the District opt to proceed, the statutory deadline to submit your adopted election materials to the Monterey County Elections Officer is Friday, August 12th
- The consulting team is recommending that the District consider placing a measure on the 2016 ballot, provided that you have campus consensus for doing so



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Bond Financing Options

**Monterey Peninsula Community College District
Sample 2016 General Obligation Bond Election Scenarios**

	Scenario 1 \$175 Million \$15.79 Tax Rate 6 Series Over 13.5 Years	Scenario 2 \$225 Million \$20.14 Tax Rate 6 Series Over 13.5 Years	Scenario 3 \$275 Million \$25.00 Tax Rate 6 Series Over 13.5 Years
Total Bond Authorization	\$175,000,000	\$225,000,000	\$275,000,000
Issue Summary			
Series A (Feb 2017)	\$30,000,000	\$37,500,000	\$50,000,000
Series B (Aug 2020)	\$30,000,000	\$37,500,000	\$45,000,000
Series C (Aug 2023)	\$30,000,000	\$37,500,000	\$45,000,000
Series D (Aug 2026)	\$30,000,000	\$37,500,000	\$45,000,000
Series E (Aug 2028)	\$30,000,000	\$37,500,000	\$45,000,000
Series F (Aug 2030)	\$25,000,000	\$37,500,000	\$45,000,000
Total Length of Time to Access All Authorization	13.5 Years	13.5 Years	13.5 Years
Total Length of Tax	35 Years	35 Years	35 Years
Maximum Maturity	30 Years	30 Years	30 Years
% of CABs	0.00%	0.00%	0.00%
Total Debt Payback	\$328,350,750	\$418,851,500	\$510,972,000
Payback Ratio			
Series A	1.82x	1.81x	1.85x
Series B	1.89x	1.88x	1.89x
Series C	1.85x	1.83x	1.83x
Series D	1.92x	1.91x	1.91x
Series E	1.97x	1.95x	1.95x
Series F	1.79x	1.79x	1.72x
Total Program	1.88x	1.86x	1.86x
Projected Tax Rate (Per \$100,000 Assessed Valuation)	\$15.79	\$20.14	\$25.00
Average Homeowner Tax Burden (Based on 2015-16 Median Single Family AV of \$380,000)	\$60.02	\$76.55	\$95.00
Assumed Assessed Valuation Growth Rates			
FY 2014-15 (Actual)		5.27%	
FY 2015-16 (Actual)		6.21%	
FY 2016-17		2.00%	
FY 2017-18		3.00%	
FY 2018-19 and Thereafter		3.60%	
Assumed Assessed Valuation Delinquency Rate		5.00%	



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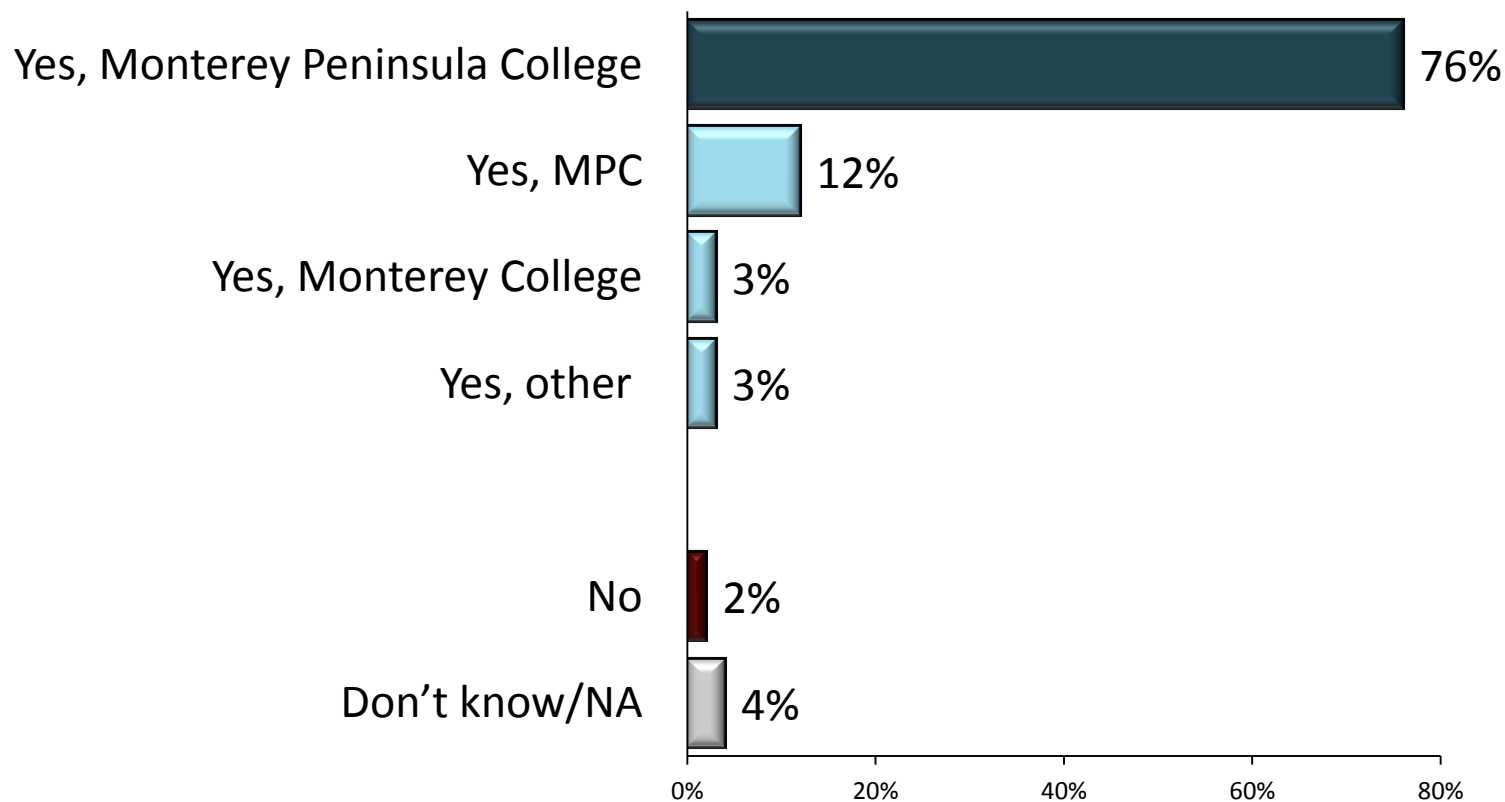
Survey Highlights

Methodology

- 550 interviews with residents likely to participate in the November 2016 election
- 400 interviews district-wide, plus selected oversamples
- Survey was conducted June 1-8, 2016 via landline and cell phones
- Overall Margin of Error: $\pm 4.9\%$ at the 95% confidence interval
- Due to rounding, some percentages do not add up to 100%

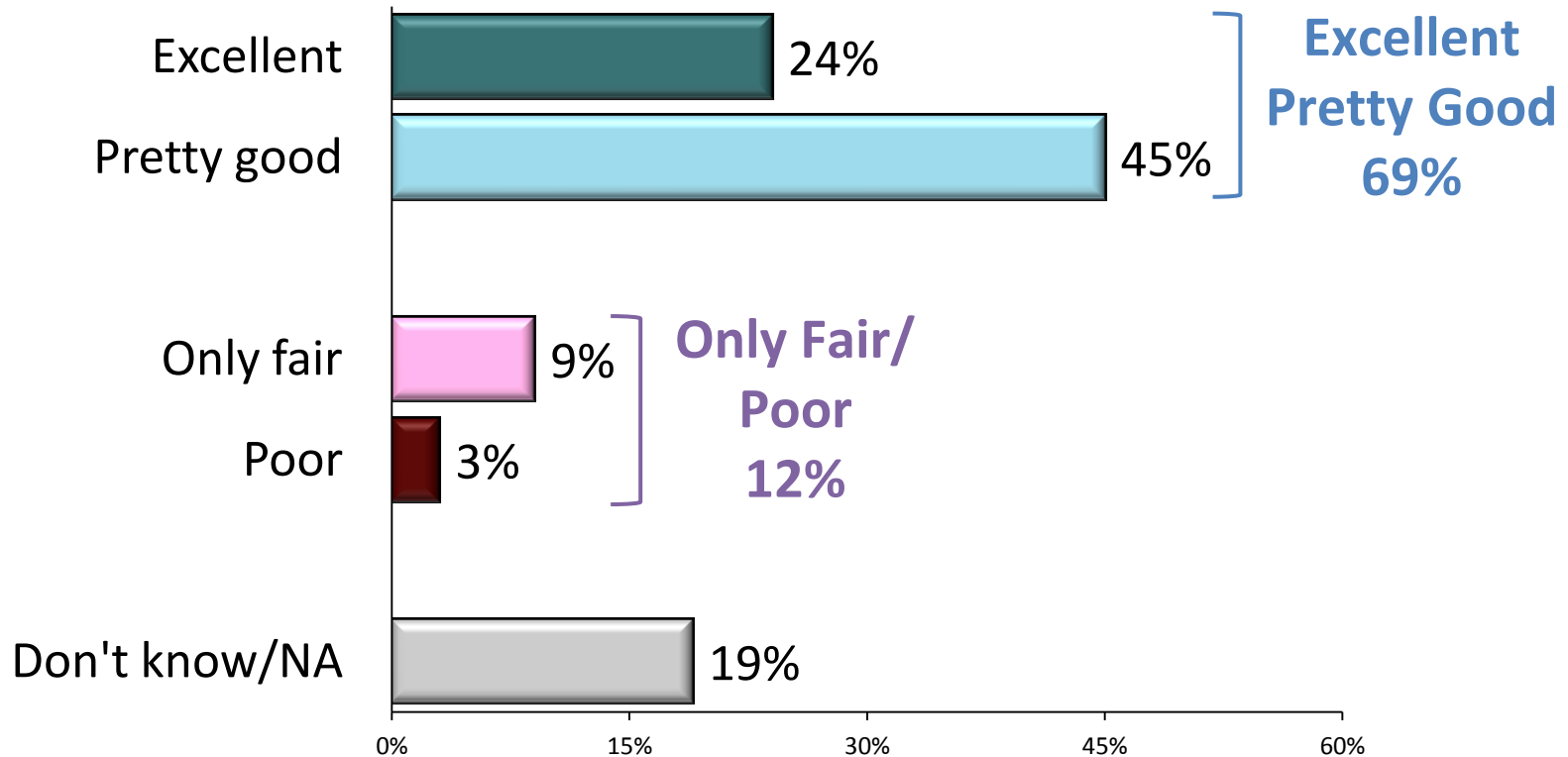
Almost all respondents can correctly identify their local community college.

From what you know, is there a local community college that serves your area?



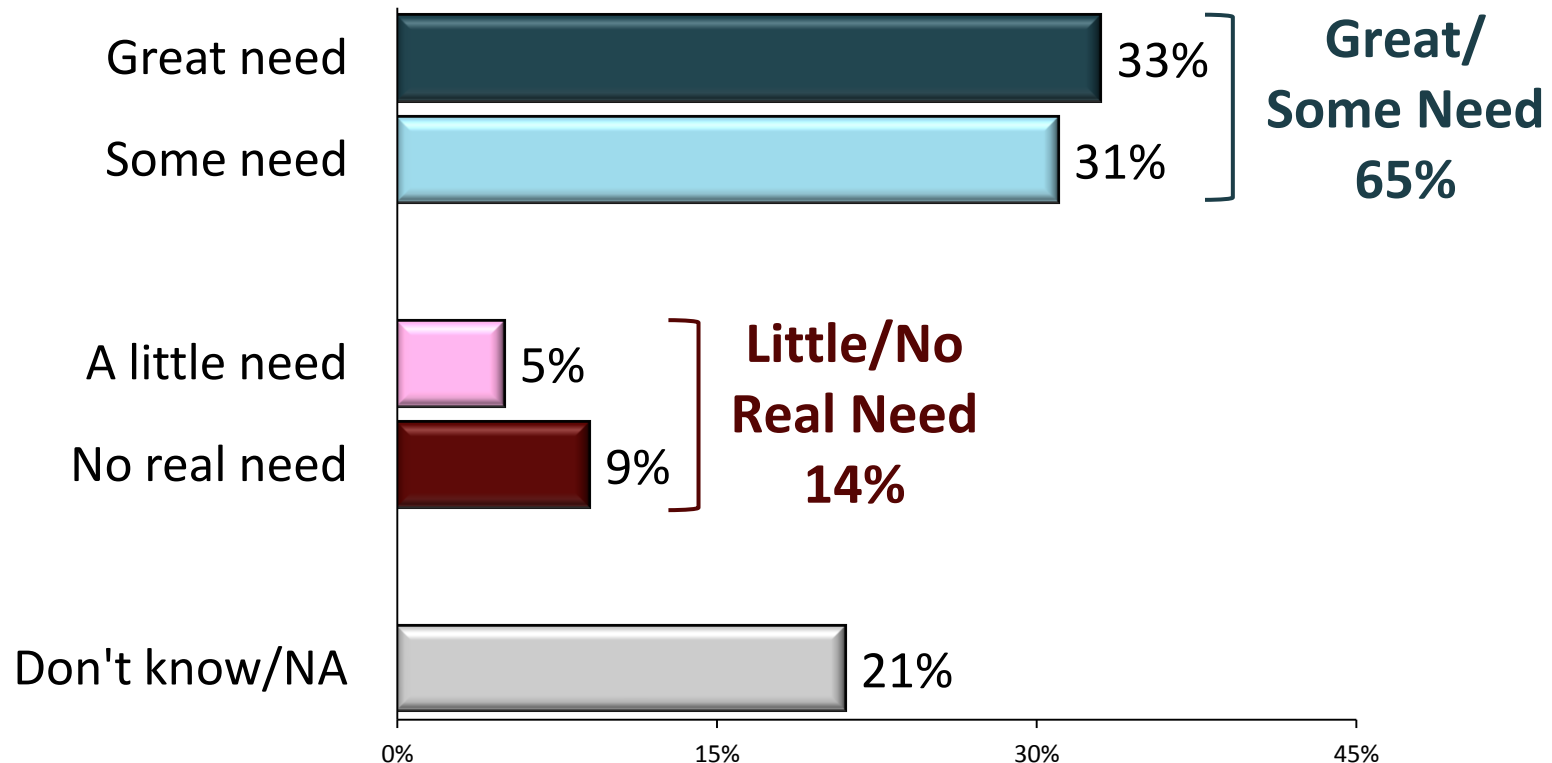
MPC receives strong job performance ratings.

Please tell me if you think Monterey Peninsula College is doing an excellent job, a pretty good job, only a fair job, or a poor job?



Respondents recognize MPC's need for additional funding.

Generally speaking, would you say that Monterey Peninsula Community College District has a great need for additional funding, some need, a little need or no real need for additional funding?



Conceptual Monterey Peninsula Community College Job Training

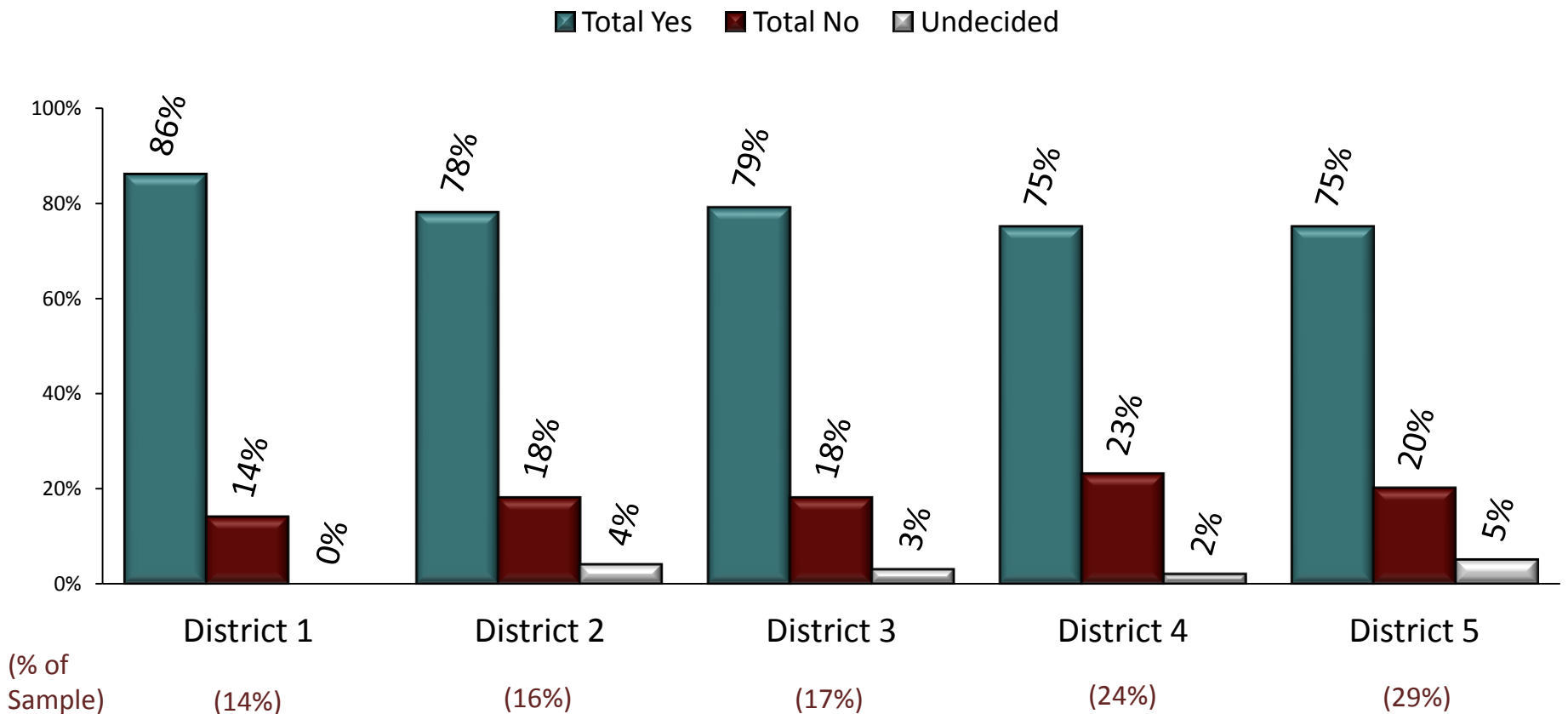
To expand/repair classrooms to prepare students/veterans for jobs/university transfer by:

- Upgrading police, firefighter, nursing vocational job training classrooms
- Improving campus/earthquake safety, disabled access, water/energy conservation
- Repairing deteriorating classrooms
- Removing asbestos/lead paint
- Upgrading wiring, science/engineering labs
- Acquiring, constructing, repairing sites/facilities/equipment

Shall Monterey Peninsula Community College District issue \$275 million in bonds at legal rates requiring independent audits, citizens' oversight, all funds remaining local?

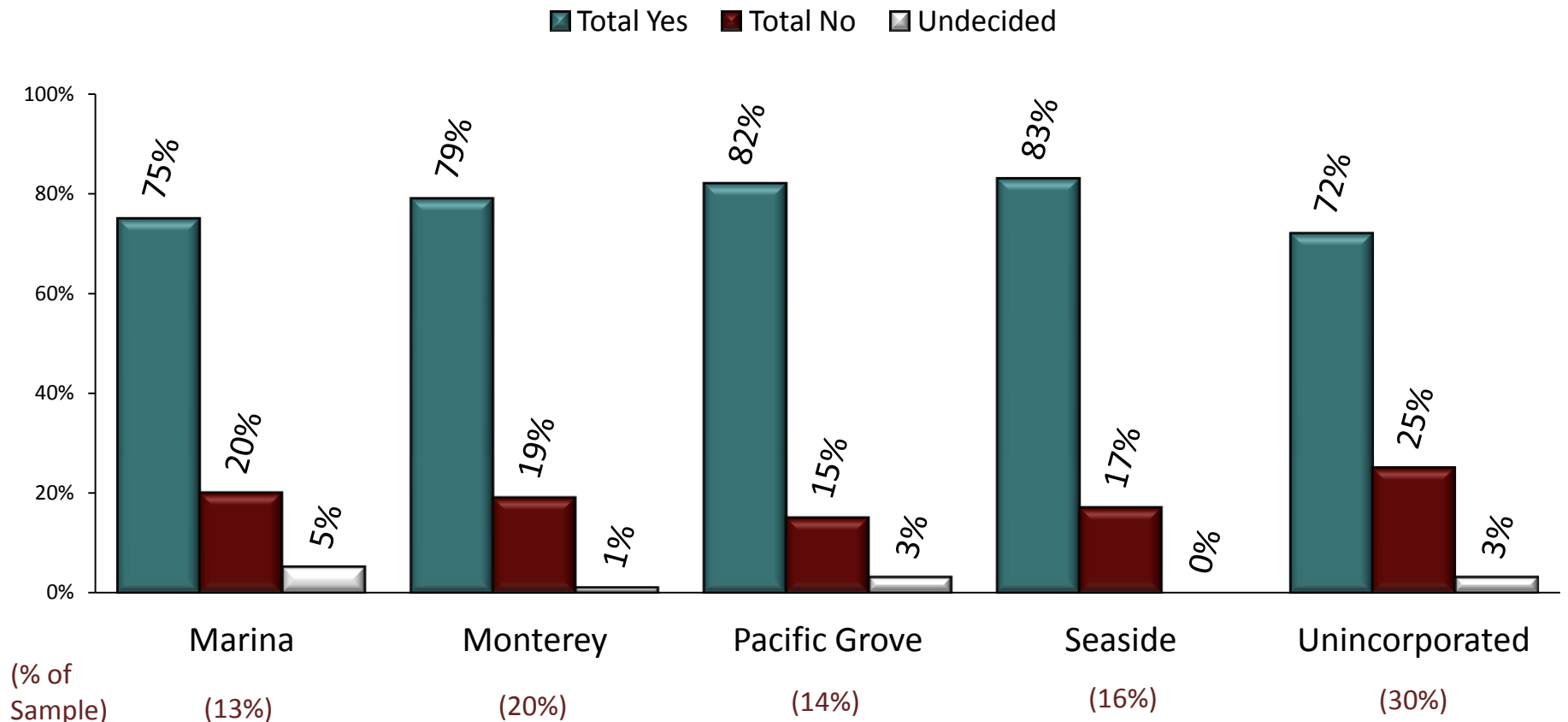
Viability of a 55% requirement bond is overwhelming in all Trustee Districts, particularly District 1.

Initial MPC Bond Measure Vote by Trustee District



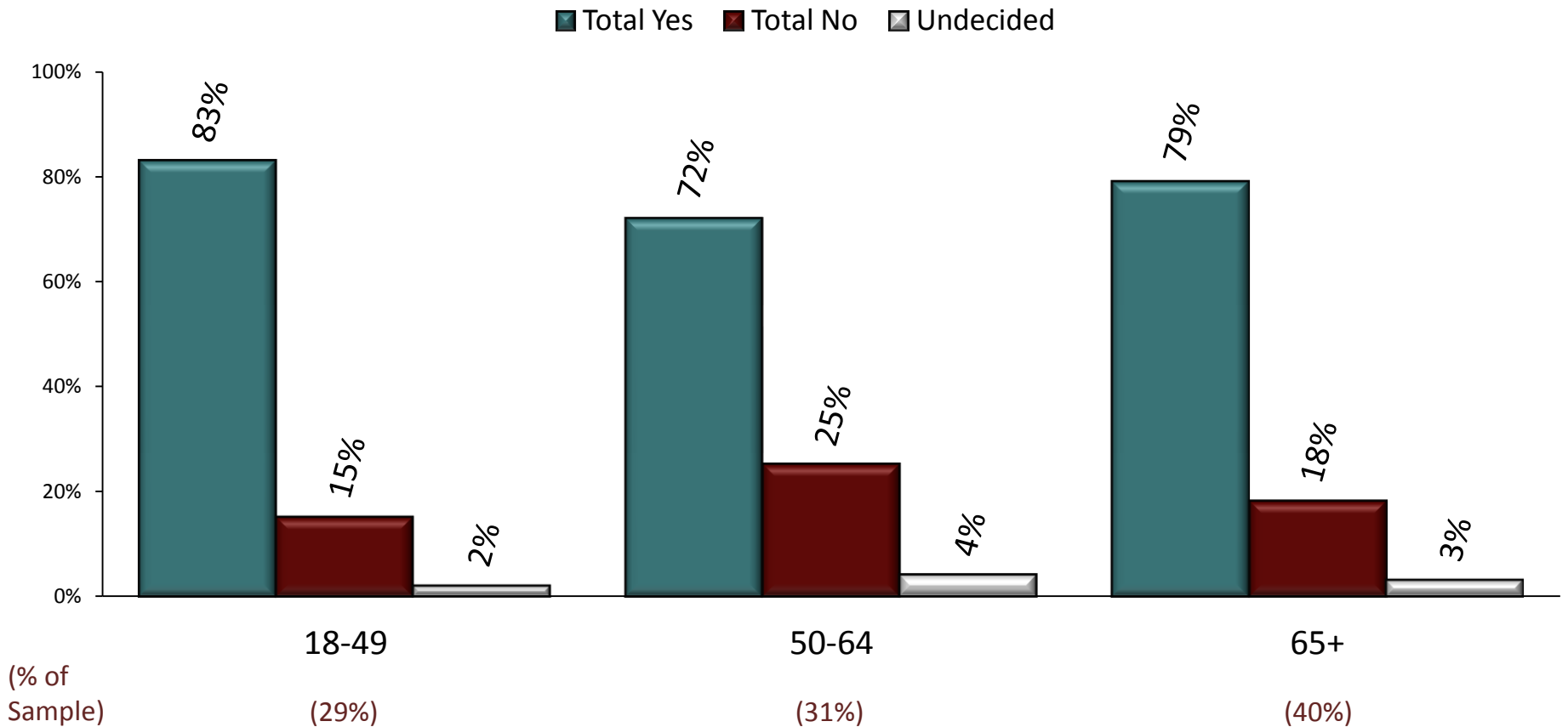
Viability is strong in all cities, particularly in Pacific Grove and Seaside.

Initial MPC Bond Measure Vote by City



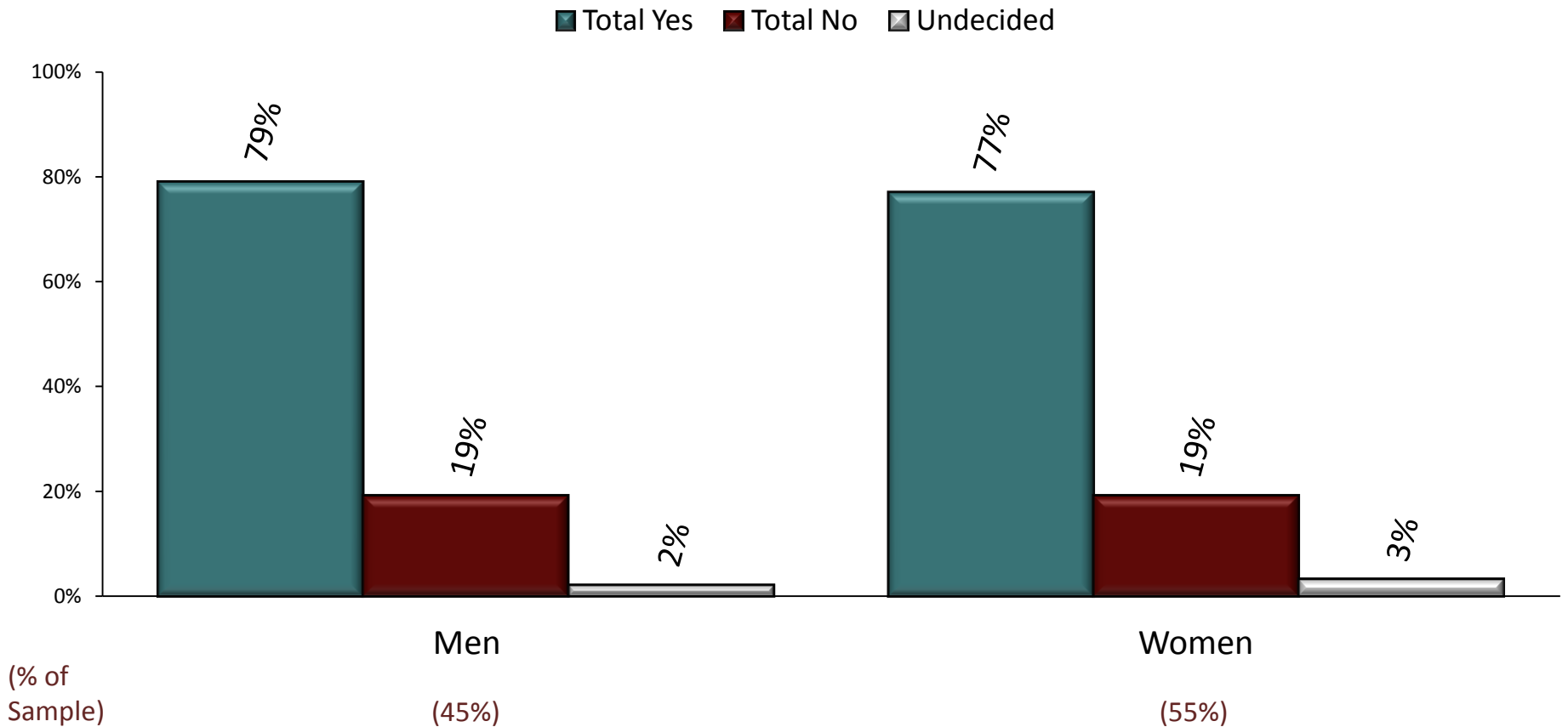
Respondents under 50 and over 65 are the most likely to be supportive of the measure.

Initial MPC Bond Measure Vote by Age

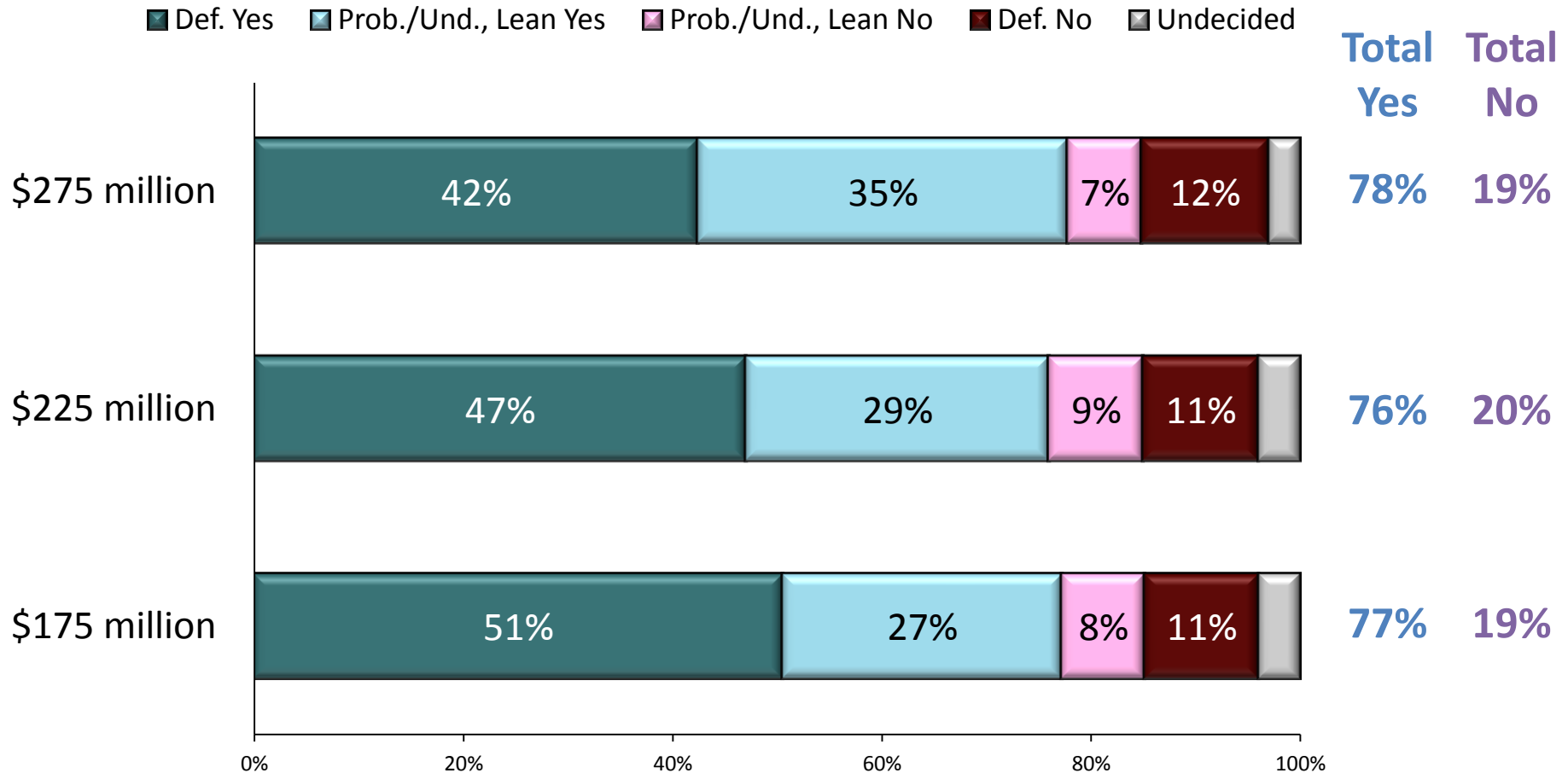


There is virtually no gender gap.

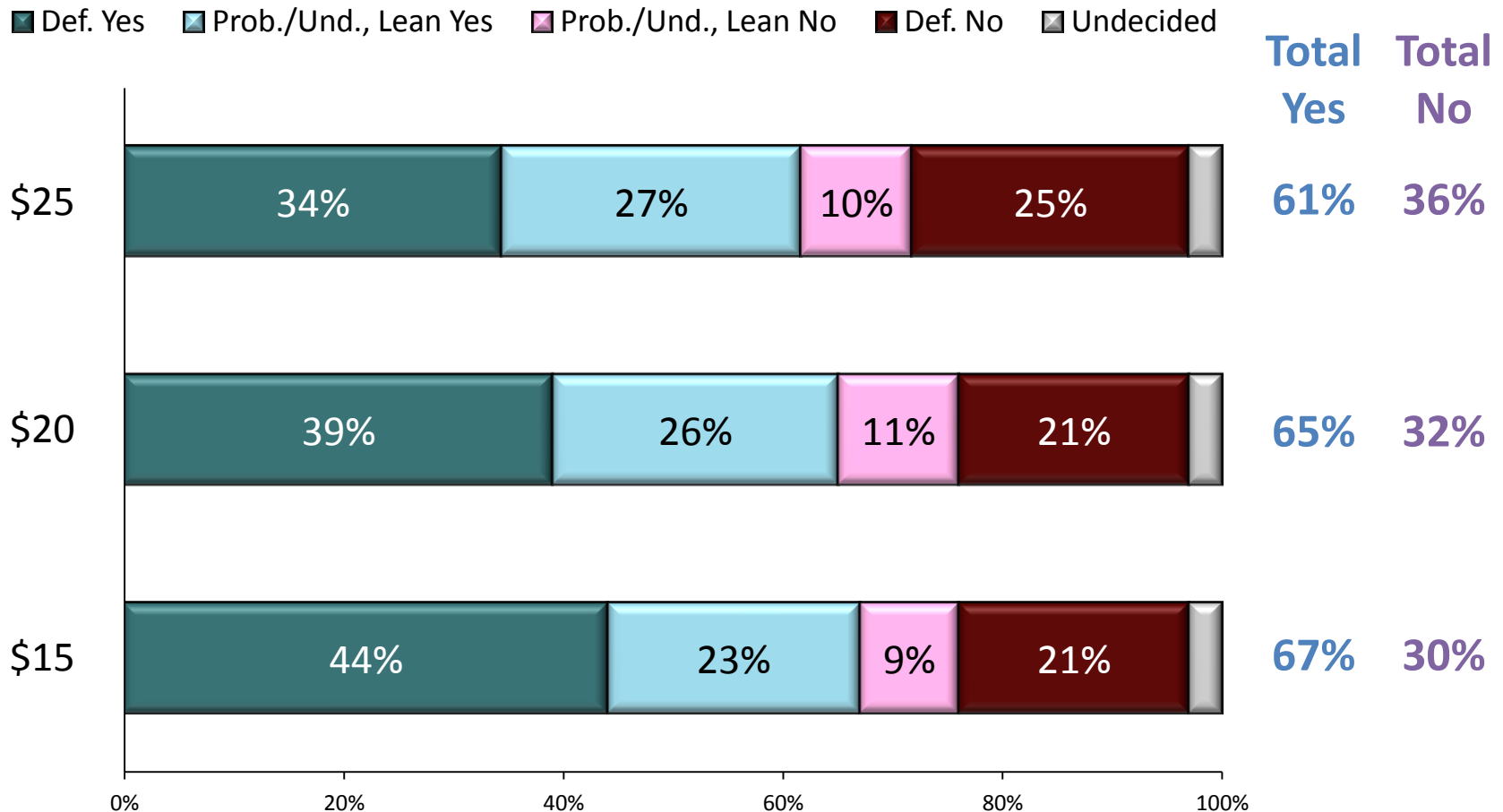
Initial MPC Bond Measure Vote by Gender



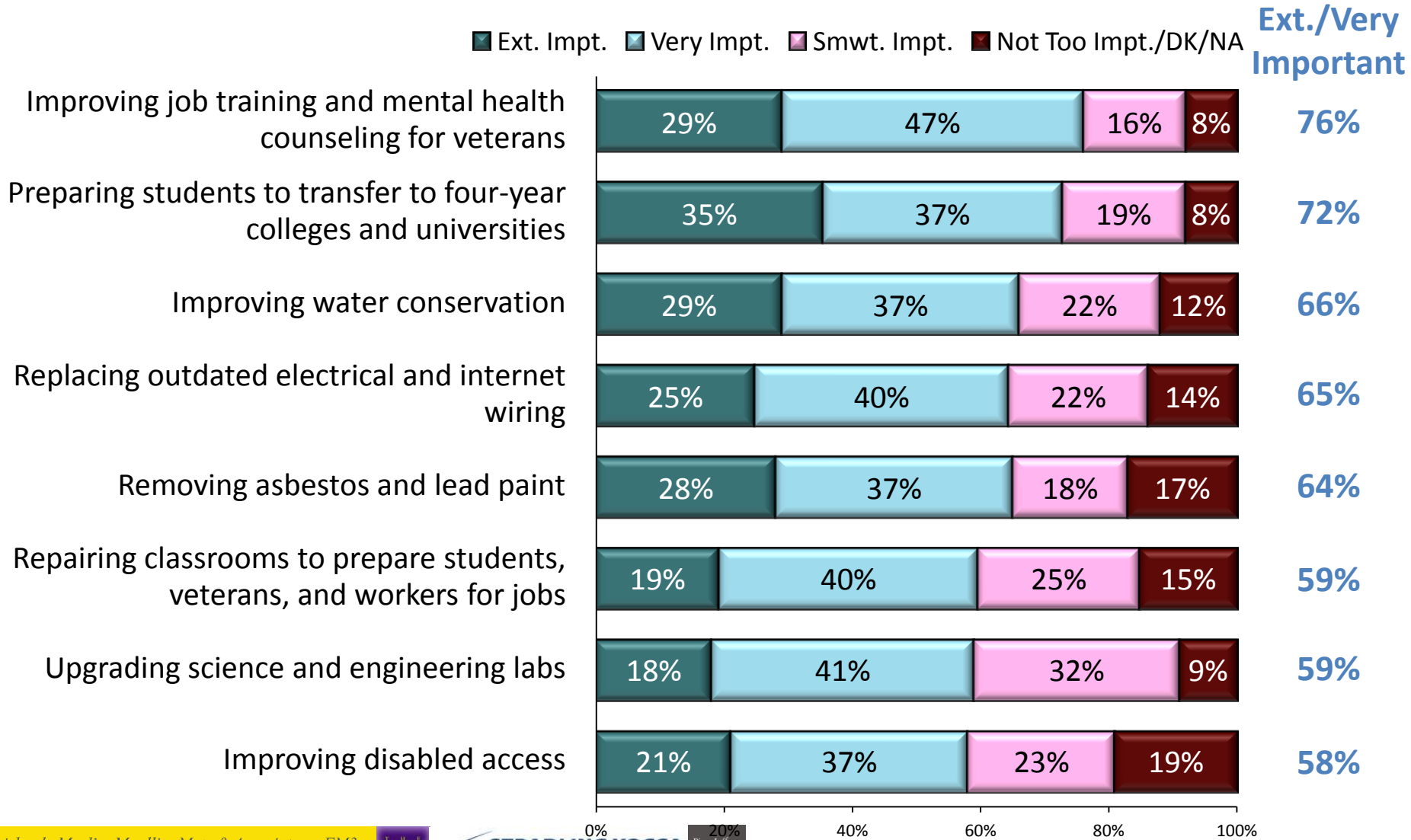
While lower bond amounts are statistically the same overall, the “definite yes” percentage does increase.



The same is true for the per \$100,000 amounts.



Veterans' services, university transfer, water conservation and basic repairs are the top priorities among more than two dozen tested.

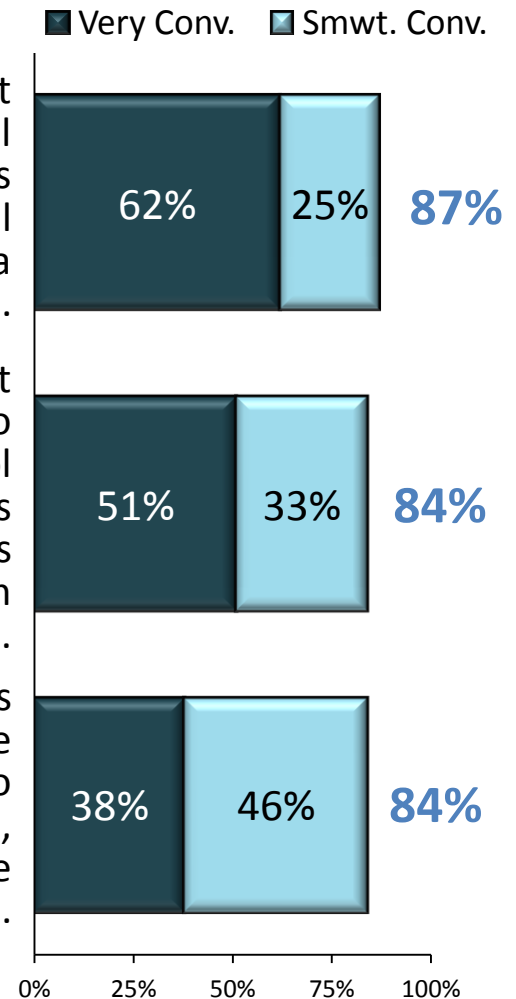


The main themes of interest to respondents are affordability, veterans and transfer.

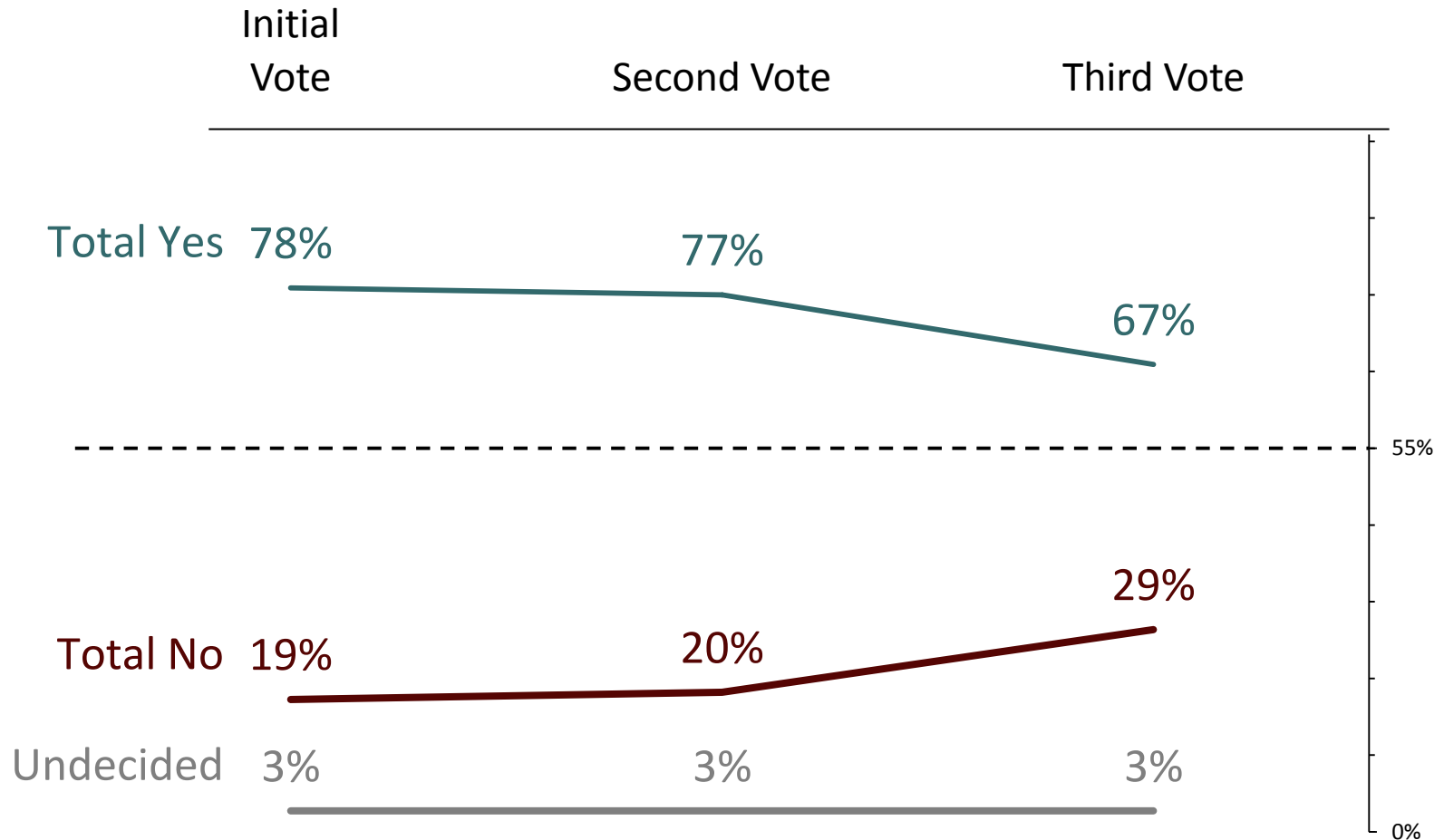
(AFFORDABLE) The cost to attend California's public universities has risen to at least six times that of attending a community college. As a result, more local students and their families rely on their local community college to save tens of thousands of dollars. Passing [a bond] increases opportunities for local students to earn college credits and certifications, learn job skills at a reasonable price, and transfer to four-year colleges and universities.

(TRANSFER) Monterey Peninsula College provides excellent training that prepares students to transfer to CSUMB and other Cal State and UC schools to complete their Bachelor's degrees. Our local colleges also allow high school students to get a jumpstart on earning college credit by taking college courses before they even graduate. [A bond measure] will ensure that these colleges can continue to offer this caliber of education while saving families money on the first few years of tuition.

Asked of Marina Area Only **(MARINA)** [A bond] measure will make vital improvements to upgrade and expand the local community college campus in Marina. These upgrades include the campus's first science labs, wiring, technology, repairs to deteriorating classrooms, and student career and transfer support services, necessary to help the campus better serve the residents of Marina and the surrounding communities.



The bond measure was asked three times in the survey and exhibits some volatility, pointing to the importance of internal consensus prior to proceeding.



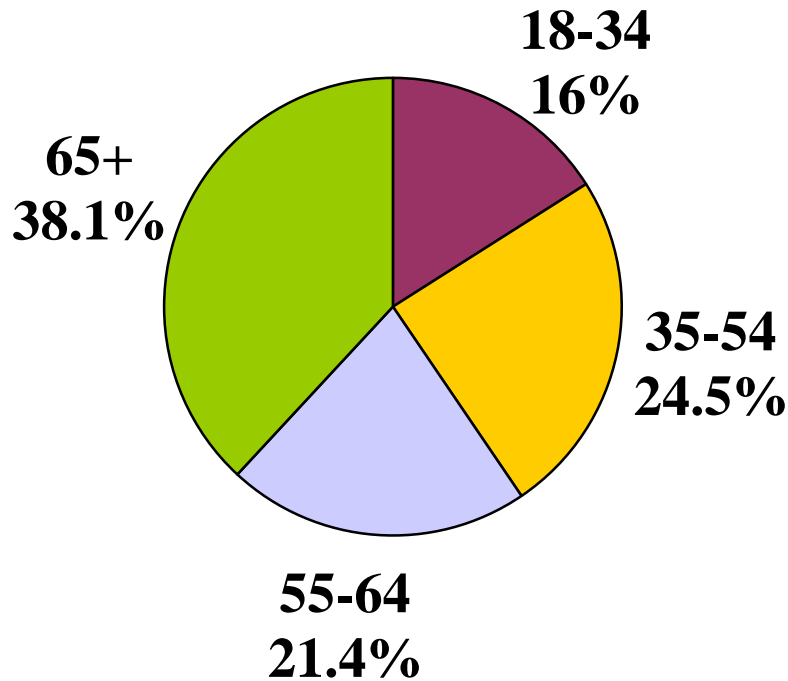


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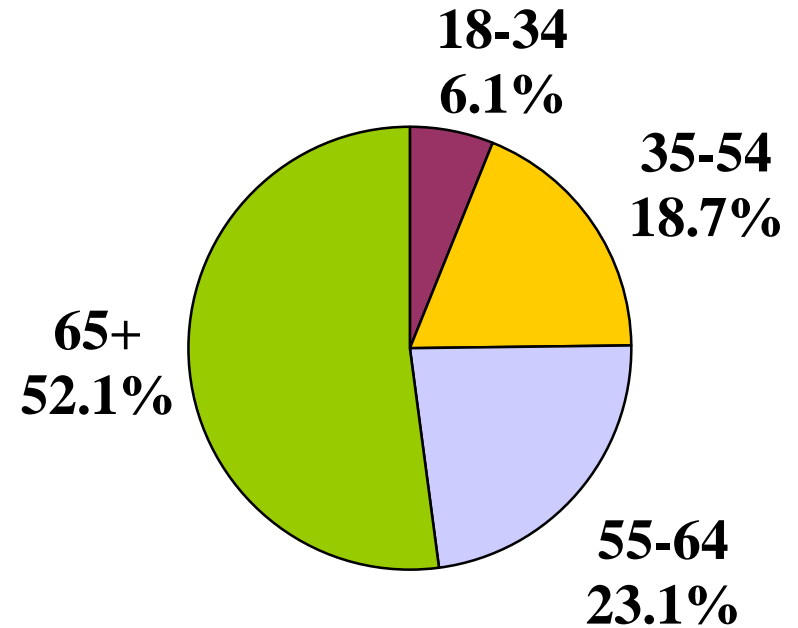
Key Demographic Differences between 2016 and 2018

Monterey Peninsula CCD Voting Age

Likely November 2016



Likely November 2018



The District's share of the 65+ vote increases dramatically in a lower turnout election, and the younger vote drops to single digits.



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Consultant Recommendations

Conclusions

- A bond of up to \$275 Million is viable for the November 2016 election, and our team recommends proceeding to preserve the District's option to do so.
- Consistent with our Best Practices in other CCDs:
 - It is recommended that discussions occur with internal MPC stakeholders to determine whether a campus consensus exists to proceed
 - At the same time, informing/engaging external influentials to get additional perspectives and input is strongly recommended

Additional Questions & Discussion

