

CLAY COUNTY DISTRICT SCHOOLS

Classroom Wing COPS

January 23, 2024



Agenda



Introduction - Bryce Ellis

- What is a Certificate of Participation (COP)?
- CCSD History of COPs
 - Existing Debt Service
- Why do we need it?
 - Growth
 - Capacity
 - Portable Reduction
 - Cost of New School v. Classroom Wing
- Process for obtaining a COP (Ford and Associates)

What is a Certificate of Participation?

Ford & Associates - Will Reed



- COP financings are lease-purchase transactions
- COPs do not pledge the full faith and credit of the School Board
- COPs do not require a new property tax levy or sales tax
- Eligible projects include educational facilities and school plant, but not administrative facilities*
- COPs are payable from any legally available revenues: local capital improvement millage (primary), discretionary sales surtaxes, educational impact fees, etc.

What is a Certificate of Participation?



- COPs are issued under a Master Lease-Purchase Agreement between the School Board, the Leasing Corporation, and the Trustee
- The Leasing Corp. is a not-for-profit organization created and controlled by the School Board, with no assets, liabilities, or authority
- The Trustee (U.S. Bank) serves as custodian and intermediary

COPs: The Master Lease Concept



- COP lease payments are subject to **annual appropriation** on an **all-or-none** basis at discretion of the School Board
- In the event of non-appropriation, the School Board surrenders all projects under the Master Lease to the Trustee through the term of the underlying ground lease
- The credit strength of COPs is therefore derived from the financial profile of the School District, the value/essentiality of the transaction-specific project(s), and the overall strength of the Master Lease

Existing COPs

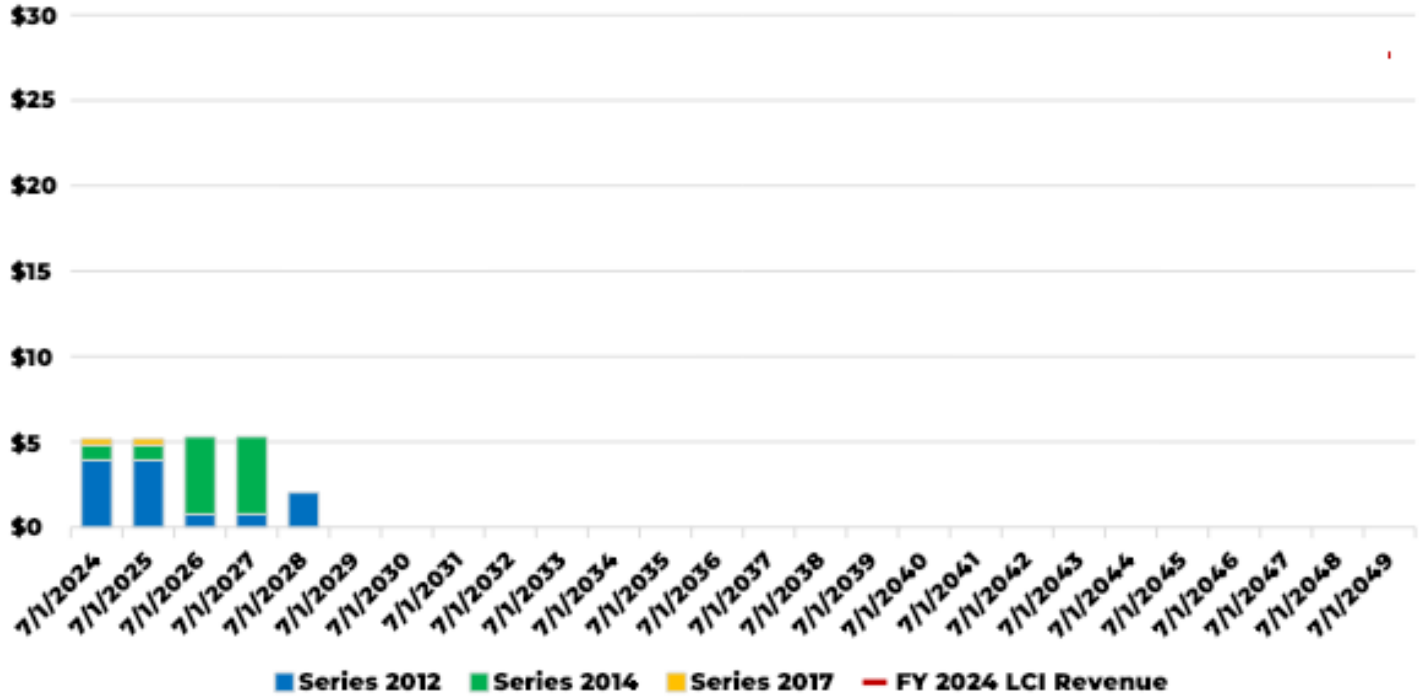


Series	Final Maturity	Original Par Amount	Amount Outstanding
2012	7/1/2028	\$24.930 m	\$10.420 m
2014	7/1/2027	\$17.540 m	\$9.912 m
2017	7/1/2025	\$8.817 m	\$0.712 m
Total		\$51.287 m	\$21.044 m

Existing COP Payment Structure



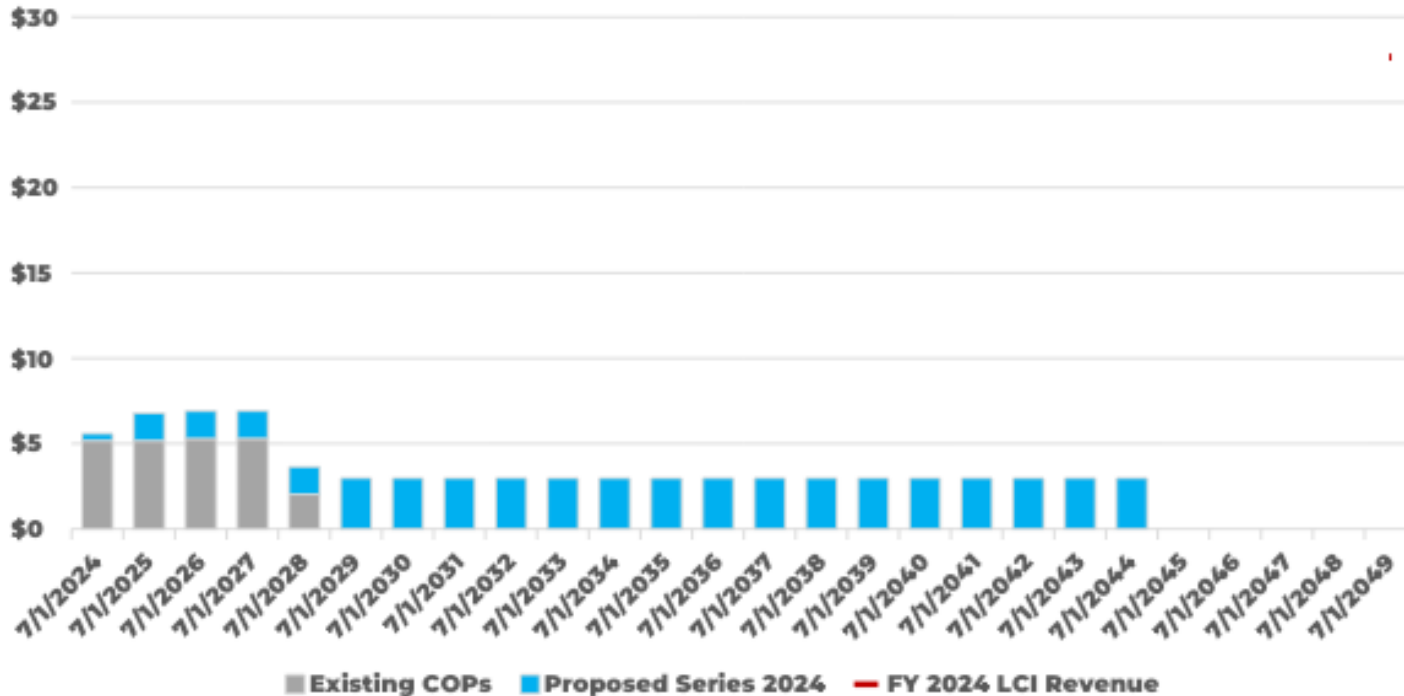
Annual Principal & Interest Requirements on Existing COPs



Pro Forma COP Payment Structure



Annual Principal & Interest Requirements on Existing and Proposed COPs



Why do we need additional funding?



Facility Planning - Bryce Ellis

- CCDS facing significant **growth** and school construction capital **costs** in the next 10 years
 - New High School (2028-30) - Saratoga Springs **(\$175-\$200M)**
- Must strategically leverage **DEBT** and **TIME** in the most fiscally responsible manner to prepare for high school build
- **Ability to support** capital needs at our 43 other schools and district facilities.
 - *Debt Service is paid for out of Capital Funding.*
 - *The more debt service we have, the less funding available to support the other 43 schools and district facilities*

Strategies to Minimize Debt Service



- **Classroom Wings** - immediate growth/capacity issues
 - As opposed to \$80M K-8 without addressing growth hotspots
- **Eliminate existing debt** service (as much as possible)
- **Save Impact Fees and CO&DS** (as much as possible)
 - Offset Debt Service Need
 - Time sensitive funds- 6 years
- **Reserve** funds from projected increases in:
 - LCIF (Property Tax)
 - EDFIRST (Half Cent Sales Tax)

MINIMIZE DEBT SERVICE!!

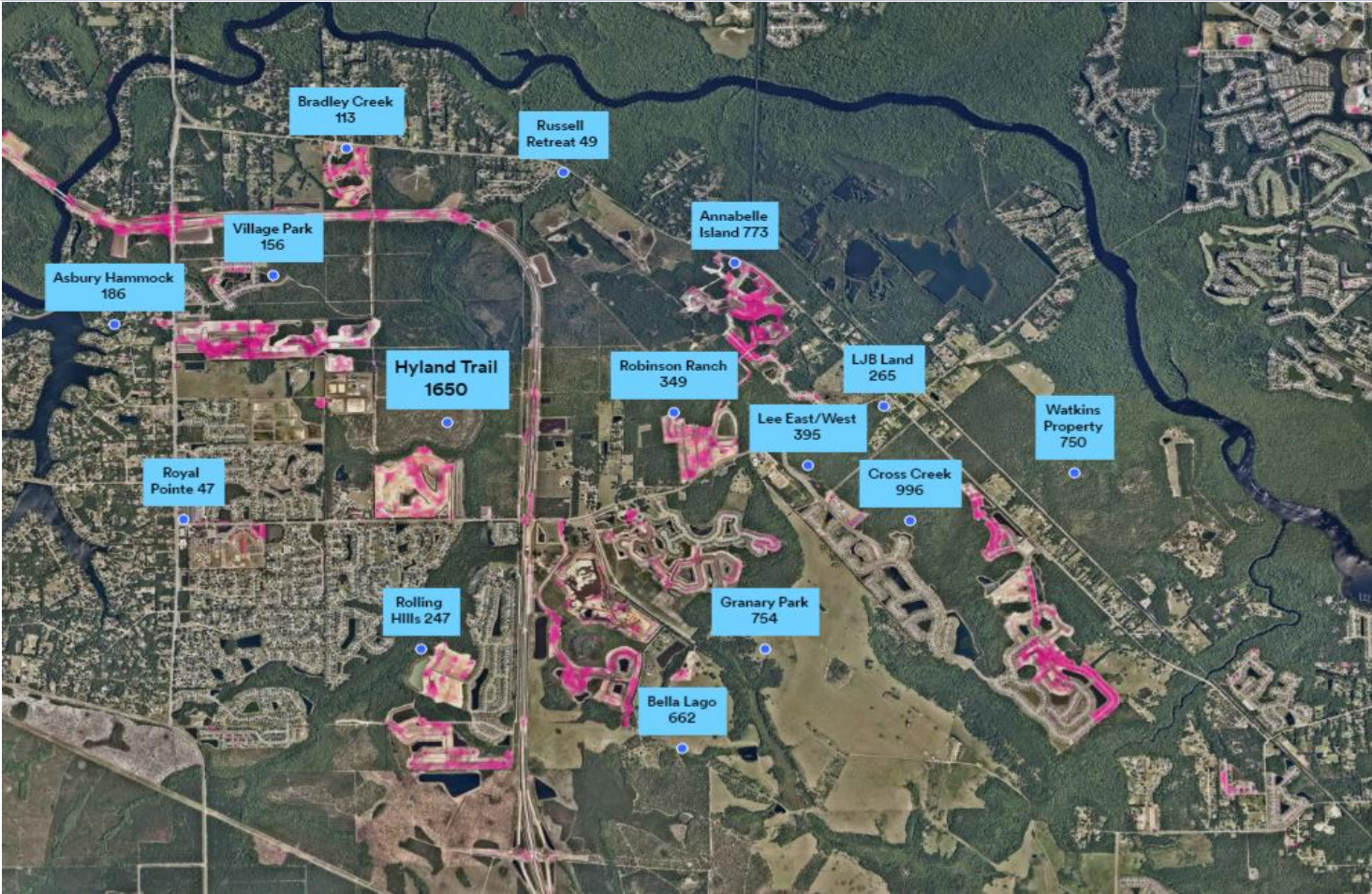
Capacity Projects



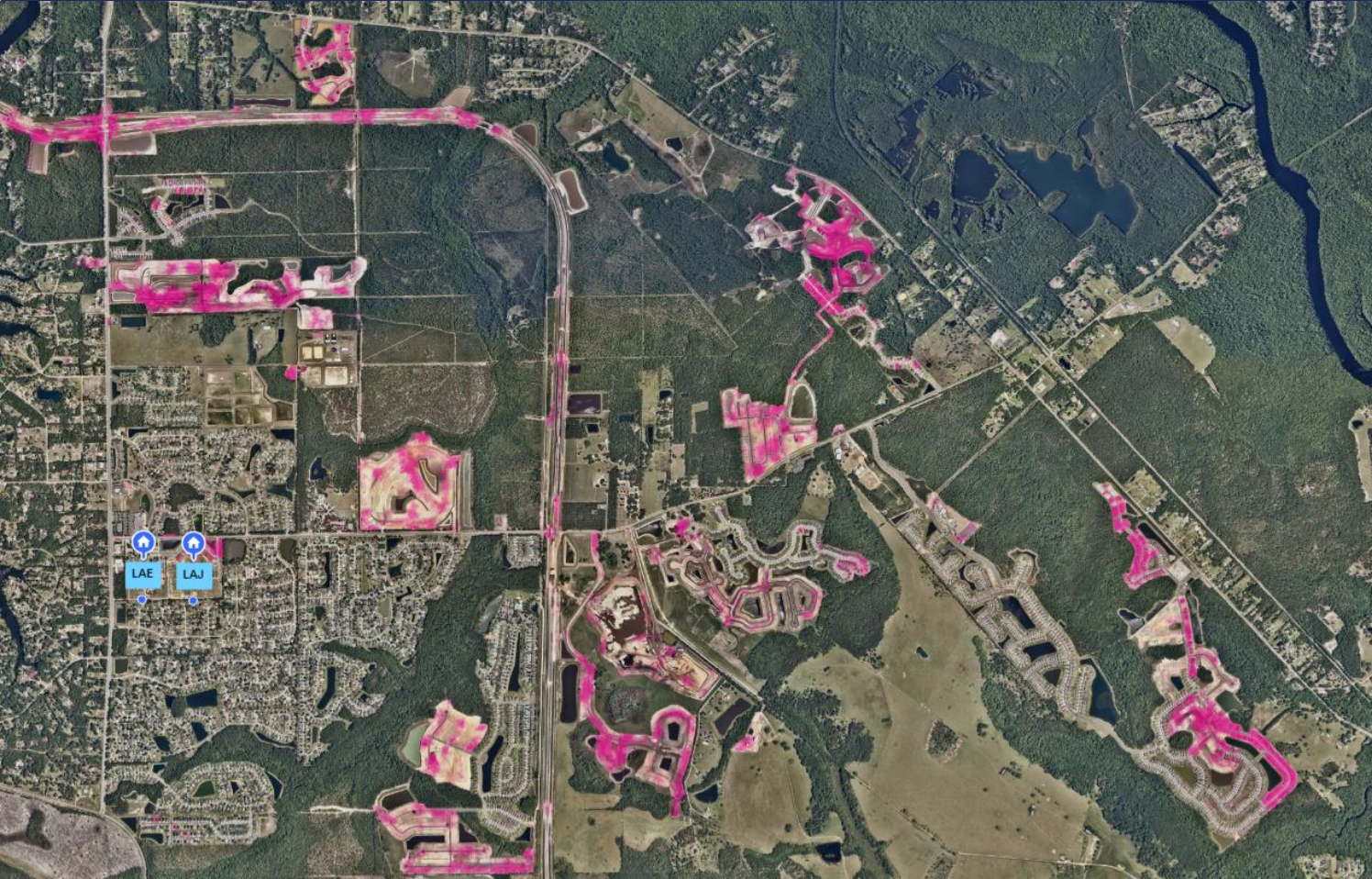
PROJECT	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
CAPACITY PROJECTS - IMMEDIATE								
Oakleaf Junior Classroom Addition (Bond)	\$18,000,000.00							
Lake Asbury Junior Classroom Addition (Bond)	\$18,000,000.00							
Clay High School Renovation	\$4,000,000.00	\$4,000,000.00	\$4,000,000.00					
RideOut Elem Classroom Addition (Impact Fees Time Sensitive)		\$500,000.00	\$10,000,000.00					
Lake Asbury Elem Classroom Addition (Impact/CO&DS)		\$800,000.00	\$16,000,000.00					
New High School (Saratoga/Clay?) (Bond)						\$15,000,000.00	\$80,000,000.00	\$80,000,000.00
CAPACITY PROJECTS - NEAR FUTURE								
Wilkinson Junior Classroom Addition				\$20,000,000.00				
Green Cove Junior Modernization					\$10,000,000.00			
WEC Renovation (Cafe/Media/Admin) (GPE/SBJ?)					\$25,000,000.00			
Lakeside Junior Classroom Addition						\$20,000,000.00		
Orange Park Junior Classroom Addition								
Clay Hill Elem Classroom Addition/Portable Reduction (16)								
KHS Classroom Addition								
Middleburg Elem Classroom Addition (24)								
PROJECT TOTALS	\$51,000,000.00	\$16,100,000.00	\$30,000,000.00	\$20,000,000.00	\$35,000,000.00	\$35,000,000.00	\$80,000,000.00	\$80,000,000.00

Bond
Funded In-House
Potential Projects

Why?- Growth and Capacity-Lake Asbury



Lake Asbury- Active Construction



Lake Asbury Student Generation/Capacities



Student Generation

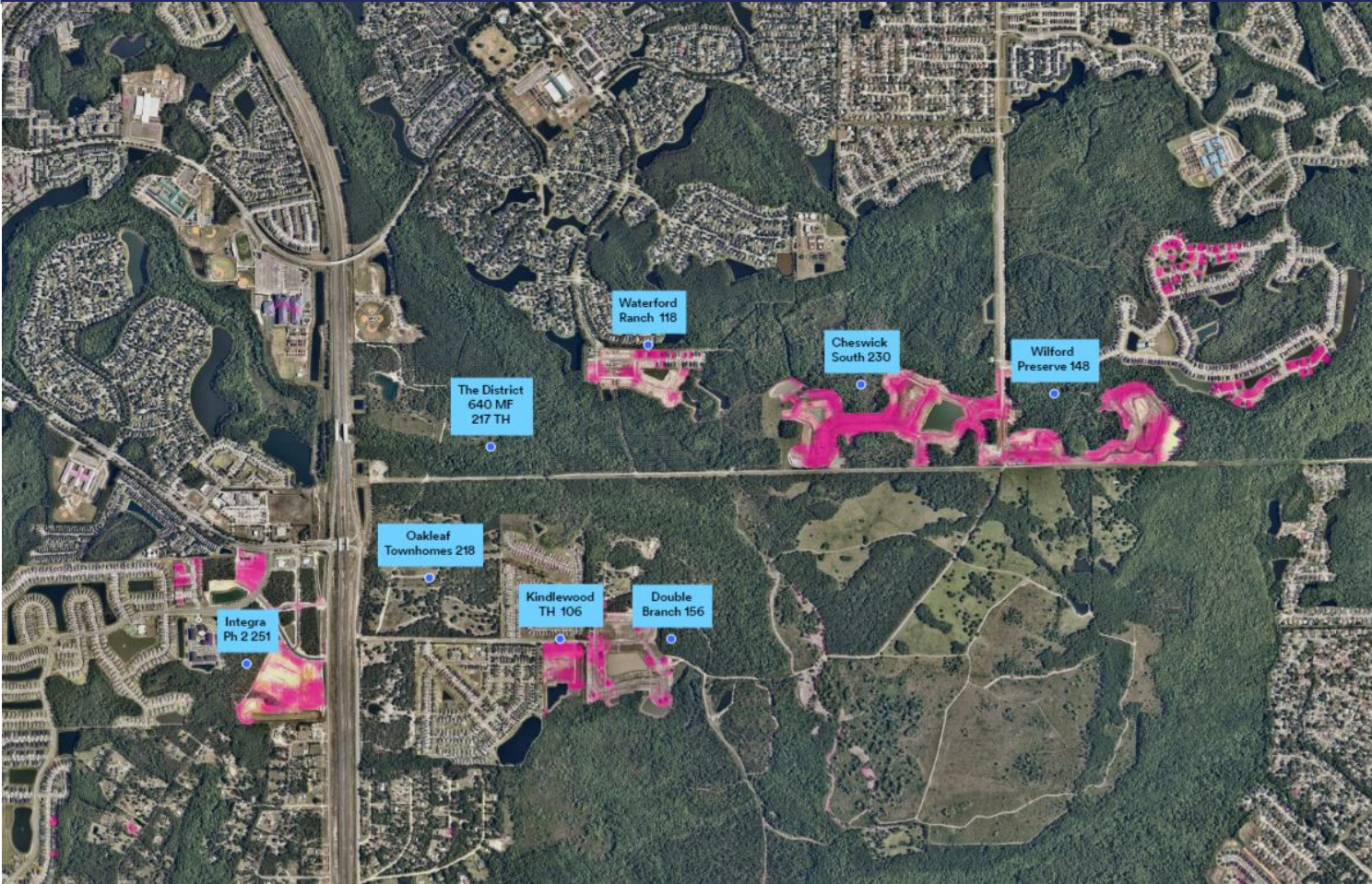
Potential Number of Homes (Approximately 1550 have COs)	~ 5840 (To Build)	Elementary- 1500 Junior High- 475 High School- 910 Total= ~ 2885 Students
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Capacities of Schools in the Area

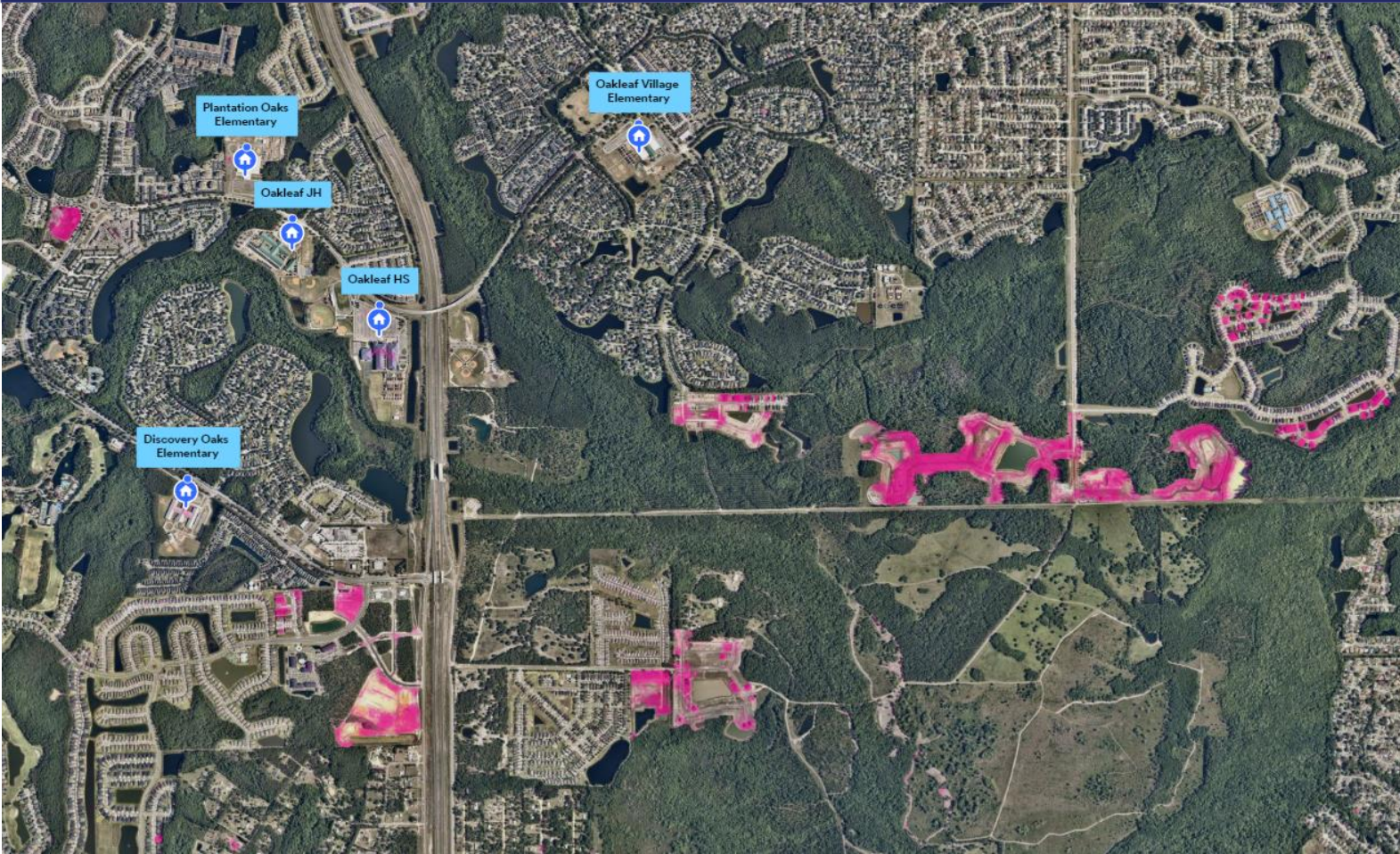
School	Enrollment (as of Jan. 2024)	Seats Available	# of Portables (non permanent seats)
Lake Asbury Elem	91%	105	41 (820)
RideOut Elem	103%	0	10 (200)
Lake Asbury JH	74%	349	24 (528)

Total Seats Available- 454

Why?- Growth and Capacity-Oakleaf



Oakleaf- Active Construction



Oakleaf Student Generation/Capacities



Student Generation

Potential Number of Homes (Approximately 86 have COs)	~ 2000 (To Build)	Elementary- 375 Junior High- 108 High School-182 Total= ~ 665 Students
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Capacities of Schools in the Area

School	Enrollment (as of Jan. 2024)	Seats Available	# of Portables (non permanent seats)
Discovery Oaks Elem	110%	0	0 (0)
Plantation Oaks Elem	96%	43	10 (200)
Oakleaf Village Elem	98%	26	15 (300)
Oakleaf JH	65%	510	34 (748)

Total Seats Available-579

Near Future Outlook-Residential Growth Rate



Impact Fees Paid vs Certificates of Occupancy (CO)

FYTD 2023/24 (July 1- January 19)

Impact Fees Paid/Credits- 742 (Indicator of near term future growth)

Residential Certificates of Occupancy- 703 (Indicator of current growth)

Projection- 1340 Paid Impact Fees for FY 2023-2024

Projection- 1269 Residential COs for FY 2023-2024

Significance- Near term growth will remain the same or slightly increase.

Bottom Line- There are no indicators of a growth slow down.

Other Options- Florida Statute 1013.35 (2)(a)(6)



- The identification of options deemed reasonable and approved by the school board which **reduce the need for additional permanent stations**. Such options may include but need not be limited to:
 - a. Acceptable capacity;*
 - b. Redistricting;*
 - c. Busing;*
 - d. Year-round schools;*
 - e. Charter schools;*
 - f. Magnet schools; and*
 - g. Public-private partnerships*

Other Options- School Board Policy 6.K(2)(b)



- When a school exceeds the above maximums, the School Board shall initiate one or more of the following actions:
 - 1) *Decrease programs to reduce enrollment.*
 - 2) *Redistrict students to other area schools.*
 - 3) *Consider the long range plan for new schools and if not identified, amend the Capital Projects Plan to include new schools, if warranted, to relieve the over-capacity status.*

Process - Ford and Associates



Preparation

- Draft resolutions, other legal documents, and Preliminary Official Statement
- Determine borrowing amount, amortization, and structural features
- Present transaction to rating agencies and bond insurers

Approval

- Bring transaction to School Board for consideration and approval

Pricing

- Underwriter markets COPs to retail and institutional investors
- Lock in par amounts, interest rates, and prices
- Execute Certificate Purchase Contract

Closing

- Finalize legal documents
- Transfer of funds

CLAY COUNTY DISTRICT SCHOOLS

Classroom Wing COPS

THANK YOU!

