

*CFD 95-1 Board Meeting of April 25, 2007*

April 18, 2007

To: Board Members  
From: Rodger Smith  
Through: Tom Bishop  
Subject: Presentation by Bond Team

Members of the 95-1 bond team from Stone and Youngberg, Dolinka Group and Bowie, Arneson, Wiles and Giannone will be present at the Board meeting of CFD 95-1 to provide information about the proposed sale of bonds to support the costs of completion of Ocean Air School. Bond team members will discuss options for the sale of the bonds; they will also ask for guidance from the Board relative to the manner in which the action item for the Board meeting in May on the sale of the bonds should be constructed.

During the last thirty days, district staff has conducted a complete review of State funding eligibility for construction and site acquisition costs. The results of the study were alarming in that they indicated that the possibility exists that the district not be eligible for any state funding for the Ocean Air project. The reason for this possibility is that four development projects that were originally included as an element in our eligibility calculations for state funding may not have their maps approved prior to the time that Ocean Air School is occupied. If these maps are not approved by that time, we cannot include them in our eligibility calculation. The loss of these projects as an element in our eligibility calculation would drop the district below the threshold for state funding eligibility.

The slow down in the housing market in San Diego is the causal factor in the delay of approval of the projects referenced above. At the present time, the likelihood that these developments will move forward for approval within the necessary time frame is limited at best. Consequently, the bond team for CFD 95-1 has been directed to prepare bond sale scenarios that will maximize available funding for the completion of Ocean Air School. Since State funding for this project was expected to be minimal at best, it is anticipated that sufficient bonding capacity exists within CFD 95-1 to support any loss of State funds. The team will discuss these scenarios with the Board during the presentation on this item.

FISCAL IMPACT: There is no fiscal impact to the general fund relative to the sale of bonds within CFD 95-1. All costs associated with the sale of the bonds will be supported through the proceeds of the bond sale.

RECOMMENDED: Not applicable; this item is for information only.