

MEASURE "CC" – DESERT COMMUNITY COLLEGE DISTRICT
FULL TEXT OF BOND PROPOSITION
DESERT COMMUNITY COLLEGE DISTRICT
COLLEGE EXPANSION, REPAIR AND MODERNIZATION MEASURE

This Proposition may be known and referred to as the "Desert Community College District College Expansion, Repair and Modernization Measure" or as "Measure CC".

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the Desert Community College District (the "District") shall be authorized to issue and sell bonds of up to \$577,860,000 in aggregate principal amount to provide financing for the specific facilities projects listed under the heading entitled "BOND PROJECT LIST" below (the "Bond Project List"), subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Sections 15264 and following of the California Education Code (the "Education Code")).

Evaluation of Needs. The Board of Trustees of the District (the "Board") has conducted a thorough assessment of all facilities in order to evaluate and address the facilities needs of the District at each campus and facility, and to determine which projects to finance from a local bond at this time. The Board hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Limitations on Use of Bonds. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of college facilities, including the furnishing and equipping of college facilities, or the acquisition or lease of real property for college facilities, and not for any other purpose, including teacher and administrator salaries and other college operating expenses.

Independent Citizens' Oversight Committee. The Board shall establish an independent citizens' oversight committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are expended only for the community college facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board. In accordance with Section 15282 of the Education Code, the citizens' oversight committee shall consist of at least seven members and shall include a member active in a business organization representing the business community located within the District, a member active in a senior citizens' organization, a member active in a bona fide taxpayers' organization, a member that is a student who is both currently enrolled in the District and active in a community college group, such as student government, and a member that is active in the support and organization of a community college or the community colleges of the District, such as a member of an advisory council or foundation. No employee or official of the District and no vendor, contractor or consultant of the District shall be appointed to the citizens' oversight committee.

Annual Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the community college facilities projects listed in the Bond Project List. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for performance audits. The results of these audits shall be made publicly available and shall be submitted to the citizens' oversight committee in accordance with Section 15286 of the Education Code.

Annual Financial Audits. The Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the community college facilities projects listed in the Bond Project List. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial audits. The results of these audits shall be made publicly available and shall be submitted to the citizens' oversight committee in accordance with Section 15286 of the Education Code.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board no later than January 1 of each year, commencing January 1, 2018, stating (a) the amount of bond proceeds received and expended in that year, and (b) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent of the District shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

FURTHER SPECIFICATIONS

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to California Government Code Section 53410.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest shall be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature more than the statutory maximum number of years from the date borne by that bond.

BOND PROJECT LIST

The Bond Project List below lists the specific projects the District proposes to finance with proceeds of the bonds. The Bond Project List shall be considered a part of the bond proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition. Listed projects will be completed as needed at a particular District facility or site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. Any authorized repairs shall be capital expenditures. The project list does not authorize non-capital expenditures. Each project is assumed to include its share of costs of the election and bond issuance, construction-related costs, such as project and construction management, architectural, engineering, inspection and similar planning and testing costs, demolition and interim housing costs, legal, accounting and similar fees, costs related to the independent annual financial and

performance audits, a contingency for unforeseen design and construction costs, and other costs incidental to and necessary for completion of the listed projects (whether the related work is performed by the District or third parties). The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds from non-bond sources, including State of California grant funds for eligible projects and redevelopment pass-through funds, have not yet been secured and/or received. Therefore, the Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Alternatively, if the District obtains unexpected funds from non-bond sources with respect to listed projects, such projects may be enhanced, supplemented or expanded to the extent of such funds. Some projects may be subject to further government approvals, including by State officials and boards and/or local environmental or agency approval. Inclusion of a project on the Bond Project List is not a guarantee that the project will be completed (regardless of whether bond funds are available).

The specific projects authorized to be financed with proceeds of the bonds under this proposition are as follows:

COLLEGE EXPANSION, REPAIR AND MODERNIZATION PROJECTS

The following projects are authorized to be financed at the District's new, future and existing campuses and college locations, including:

**Palm Desert Campus Indio Campus
East Valley Campus West Valley Campus**

Community Centered sites throughout the Coachella Valley

- Modernize, upgrade, renovate, rehabilitate, re-configure, repair, replace, restore, expand and/or upgrade classrooms, classroom buildings, labs (including science and technology labs), career training facilities, career placement centers/facilities, veterans support services facilities, public safety training facilities, theater/performing arts facilities, childcare facilities, restrooms, common areas and college support and administration facilities (including library, multipurpose room/auditorium, food storage, preparation and service, cafeteria and office/staff/faculty support facilities, whether permanent, portable or modular including interior and exterior (as applicable)), doors, windows, door and window hardware, roofs, rain gutters and downspouts, walls, ceilings and floors and finishes, paint, siding, insulation, casework, cabinets, secured storage, carpets, drapes, window coverings, infrastructure, lighting, acoustics, staging, sinks, drinking fountains, fixtures, signage, fencing, landscaping, furniture and equipment.
- Construct new campus buildings, including classrooms/classroom buildings, labs (including science and technology labs), library, performing arts and film facilities, career placement centers/facilities, student services and administration buildings, office/staff/faculty support facilities, building/facility/university center for student support services, including career placement center, career training classrooms and related facilities, veterans support service facilities, public safety training facilities, observatory facilities, food storage, preparation and service facilities, childcare facilities, restrooms, and related college facilities.
- Construct, improve, reconfigure, expand, and/or install sidewalks, parking areas, and related areas.
- Construct/install outdoor learning areas, including shade/rain structures, sitting areas, fencing and landscaping.
- Renovate, replace, upgrade, acquire, install and/or integrate major site/building/utility systems, equipment and related infrastructure and housing, including lighting, electrical (including electrical switchgear and related infrastructure for modern technology), heating, refrigeration, cooling and ventilation, water, sewer, gas, irrigation, drainage, and energy efficiency/management monitoring systems, networks, fixtures, equipment and controls.
- Acquire, install, upgrade and/or construct renewable energy and/or energy-saving systems, improvements and equipment, including electricity generation and distribution systems and/or water heating systems, natural light improvements, upgraded insulation and roofing, efficient lighting, windows and window coverings, shade structures, energy management and conservation systems, and other passive technologies, and structures to support such systems, improvements and equipment and related infrastructure.
- Upgrade, expand, acquire and/or install technology equipment, fixtures and infrastructure, including computers, tablets, mobile devices, software, interactive educational technology, digital projectors and cameras, monitors, audio systems, video systems, network equipment (including servers, network interface devices, network switches and routers, wireless network equipment, firewalls, network security equipment, racking, power and cooling equipment, wiring and uninterruptible power supplies), etc.
- Upgrade and/or acquire and install fencing, security lighting, fire detection and suppression, security alarm, video surveillance, emergency, master key and door lock, clock, bell, data, voice and audio-visual communication (including telephone and public address) systems, networks, fixtures, equipment and controls.
- The inspection and analysis of grounds, buildings, fixtures and structures, including parking lots, restrooms, drinking fountains, to assess health and safety risks to students, faculty, staff, parents and the public and compliance with local, state and federal building, health, safety, access and other related requirements, including seismic safety requirements, requirements of the Americans with Disabilities Act (ADA) and Occupational Safety & Health Administration (OSHA) requirements, and the improvement, correction, repair or renovation of such grounds, buildings, fixtures and structures or portions thereof identified as such health and safety risks or acquire, install and/or construct other improvements to comply with such laws and requirements.

MISCELLANEOUS

All listed bond projects include the following as needed:

- Removal of hazardous materials such as asbestos and lead paint as needed.
- Construction and/or installation of access improvements for disabled persons, as required by state and federal law.
- Planning, designing and providing temporary housing necessary for listed bond projects.

- Acquisition of any rights-of-way, easements, and/or real property made necessary by listed bond projects, or lease of real property for the listed college facilities projects.
- Necessary onsite and offsite preparation or restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable buildings, including demolition of structures; removing, replacing, or installing irrigation; drainage, utility lines (gas, water, sewer, electrical, data and voice, etc.), trees and landscaping; relocating fire access roads; and acquiring any necessary easements, licenses, land or rights of way made necessary by listed bond projects.
- Address other unforeseen conditions revealed by construction, renovation or modernization (including plumbing or gas line breaks, dry rot, seismic and structural deficiencies, etc.).
- Acquire or construct storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and college functions or other storage for classroom materials displaced during construction.
- For any project involving renovation, rehabilitation or repair of a building or the major portion of a building, the District shall be authorized to proceed with new replacement construction/re-construction instead (including any necessary demolition), if the Board of Trustees of the District determines that replacement and new construction/re-construction is more practical than renovation, rehabilitation and repair, considering the building's age, condition, expected remaining life, comparative cost and other relevant factors.
- Furnishing and equipping of classrooms and other college facilities; furnishing and equipping shall include initial purchases, and scheduled and necessary replacements, upgrades and updating of technology.
- All other costs and work necessary and incidental to the listed bond projects.

MEASURE "CC" – DESERT COMMUNITY COLLEGE DISTRICT

TAX RATE STATEMENT

An election will be held in the Desert Community College District (the "District") on November 8, 2016, to authorize the sale of up to \$577,860,000 in bonds of the District to finance community college facilities as described in the proposition. If the bonds are approved, the District expects to issue the Bonds in multiple series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400 through 9404 of the California Elections Code.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 1.95 cents per \$100 (\$19.50 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 1.95 cents per \$100 (\$19.50 per \$100,000) of assessed valuation in fiscal year 2025-26.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 1.95 cents per \$100 (\$19.50 per \$100,000) of assessed valuation and is expected to remain approximately the same in each year during the term of repayment of the bonds.
4. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all of the bonds are issued and sold is \$1,075,000,000.

Voters should note that estimated tax rates are based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, *not* on the property's market value, which could be more or less than the assessed value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone payment of taxes. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply, and the actual total debt service, may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors, including the legal limitations on bonds approved by a 55% affirmative vote. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Dated: July 20, 2016.

By: Joel L. Kinnamón
Superintendent / President
Desert Community College District

IMPARTIAL ANALYSIS OF MEASURE "CC"

The Board of Education ("Board") of the Desert Community College District ("District") by adopting Resolution No. 072016-2 ("Resolution"), elected to call an election pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the California Constitution and Section 15100 and 15624 et seq. of the California Education Code to obtain authorization to issue and sell general obligation Bonds ("Bonds") in the aggregate amount principal amount of five hundred seventy seven million and eight hundred sixty thousand dollars (\$577,860,000.00).

This Measure was placed on the ballot by the Board of the above-identified District.

The Bonds would be used by the District to expand, repair and upgrade and expand classrooms, buildings, labs, career training facilities, among other facilities, at the following campuses: Palm Desert, East Valley, Indio, West Valley and Community Centered sites throughout the Coachella Valley. The Bonds may also be used to upgrade, expand, acquire and/or install technology equipment, fixtures and infrastructure, upgrade and/or acquire and install security measure, remove hazardous material, construct and install access improvements for disabled persons, and acquisition or lease of real property for the listed college facilities projects.

The Bonds would not be used to fund the salaries, pensions or benefits of any board members, administrator, and/or teachers or for other school operating expenses.

If Measure CC is approved, the Board of the District will appoint a citizens' oversight committee, and conduct annual independent financial and performance audits to assure that bond funds are spent only on the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and modernization of school facilities, or the construction of school facilities, and for no other purposes.

An ad valorem tax would be levied and collected on property within the boundaries of the District to pay the principal and interest on the Bonds.

The Resolution provides that the maximum interest rate on the Bonds will not exceed the maximums statutory rate and the maximum term of the Bonds, or any series thereof, will not exceed applicable statutory maximum. The best estimate of the total debt service, including the principal and interest that would be required if all of the bonds are issued and sold is one billion and seventy-five million dollars (\$1,075,000,000).

For this Measure to be approved fifty-five percent (55%) of qualified voters who vote on the Measure must vote yes.

A "YES" vote on Measure "CC" is a vote to allow the District to sell the Bonds and levy the necessary taxes to pay for the Bonds.

A "NO" vote on Measure "CC" is a vote against allowing the District to sell the Bonds and levy the necessary taxes to pay for the Bonds.

By: Ronak N. Patel, Deputy County Counsel

ARGUMENT IN FAVOR OF MEASURE "CC"

Vote Yes on Measure CC to relieve overcrowding, increase job and career training facilities and modernize College of the Desert.

College of the Desert has been the leading source of higher education for nearly 60 years, providing career training for students and serving as an affordable springboard for those who want to continue their education at a four-year university.

Measure CC will keep College of the Desert working for our community, allowing the college to:

- Build more classrooms and science labs to relieve overcrowding.
- Update existing classrooms, labs, and technology to prepare students for four-year universities and high-paying jobs.
- Modernize and expand educational buildings and classrooms to train local nurses, firefighters, police officers, mechanics, technicians and dozens of other vital workers.
- Strengthen programs for returning veterans and prepare them for good-paying jobs.
- Boost and add science, engineering, and technology classrooms and labs.

Like any 60-year old institution, College of the Desert is in need of basic repairs and modernization, including replacing outdated electrical and plumbing systems, repairing leaky roofs and upgrading classrooms and facilities to meet current earthquake, fire and safety codes.

Measure CC will help College of the Desert build, expand and upgrade the facilities needed to provide the top-notch technical training needed in emerging, high-demand fields to train our workforce and keep the local economy strong.

By law, no Measure CC money can be spent on administrator salaries. Independent audits and an oversight committee ensure strict accountability. Every penny from Measure CC benefits College of the Desert - funds cannot be taken by the state.

Join Coachella Valley nurses, police officers, firefighters, students, alumni, faculty, community and business leaders, financial planners, taxpayers, and seniors in voting YES on Measure CC.

Keep affordable, quality college education and job training at College of the Desert working for our community.

By: Guadalupe Ramos Watson, Councilmember City of Indio, COD Alumni Hall of Fame Member

John Benoit, Riverside County Supervisor

Stanley E. Henry, Retired Police Chief, Mayor, City of Cathedral City

John J. Peña, Mayor Pro Tem City of La Quinta, COD Alumni Hall of Fame Member

Christine Anderson, Superintendent of Schools, PSUSD, Retired

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE "CC"

The supporters of Measure CC justify the proposed \$577,860,000 Bond issue as necessary to "relieve overcrowding, increase job and career training facilities and modernize College of the Desert." They also cite issues inherent with "...any 60-year old institution...in need of basic repairs and modernization."

With passage of the \$372,000,000 Bond issue in 2004, the "60-year old" Palm Desert campus has been greatly updated and expanded with the construction of several new buildings, many of which house administrative offices and numerous new classrooms. Several older facilities and classrooms have been renovated to meet updated building requirements, functional and aesthetic upgrades were incorporated on campus, an early Bond project renovated aging in-ground systems, and the college expanded with new classrooms in Indio and the east valley. As such, many of the justifications cited for replacing outdated systems, fixing leaky roofs, and relieving overcrowding appear to be overstated.

This \$577,860,000 Bond issue request balloons to over \$1 billion after interest over the up-to 40 years debt obligation period is added, with another lien placed on your property to guarantee that debt. This is excessive when considering how much has already been accomplished using the 2004 Bond issue funds, for which we are still paying and will be for many years to come.

Vote NO on Measure CC to eliminate higher property taxes, another lien on your property, and the inevitable cost increases to all renters as these tax increases are passed along.

By: Carole J. Van Zandt

ARGUMENT AGAINST MEASURE "CC"

The College of the Desert Board of Trustees is asking voters to approve a \$577,860,000 Bond measure to fund myriad construction, upgrade, repair, and renovation projects for the main campus and satellite sites within the Coachella Valley. Considering the \$372 million Bond measure approved by the voters in 2004 for the same purposes, seeking another Bond measure of this magnitude seems excessive: a total face value of \$949,860,000. In that regard, the Howard Jarvis Taxpayer Association in its *Heads Up, Taxpayers* report on their website, www.hjta.org, states that "Voters have a right to know that a Bond will place a lien against homes for as long as 40 years to guarantee repayment that, once interest is calculated, will cost at least double its face value."

If approved this measure will result in yet another property tax increase—we are still paying for the 2004 Bond measure—and placement of yet another lien on our property. Because these types of Bond measure obligations are repaid solely through increasing our property taxes, approval of the Bond measure will likely cause rental rates to also increase. Now is the time to ask if Riverside and Imperial Counties can afford to repay another \$1 billion dollar debt obligation through our ever increasing property taxes. Vote NO on measure CC.

By: Carole J. Van Zandt

REBUTTAL TO ARGUMENT AGAINST MEASURE "CC"

For sixty years, College of the Desert has strategically planned, grown and adapted to serve the Coachella Valley.

College of the Desert has always met the challenges of providing higher education opportunities to Coachella Valley residents. As a result, our community has benefitted with better jobs, a better-trained workforce and a stronger local economy.

Measure CC will allow College of the Desert to continue to meet our current needs for higher education. It will also allow College of the Desert to accommodate our community's educational needs in the future.

Measure CC is smart planning that will enable College of the Desert to:

- Reduce overcrowding.

- Build needed new classrooms and labs.

- Expand higher education into the fields that are in most demand and offer well-paying jobs.

- Emphasize career paths to nursing and medical jobs, law enforcement, firefighting, science and engineering fields.

- Strengthen programs for preparing returning veterans for well-paying careers.

This focus is good for our community, good for our families and good for our local economy.

Along with these benefits, Measure CC has safeguards. For example, no Measure CC money may be spent on administrator salaries. And, no Measure CC money may be taken by Sacramento to fund state programs. An independent Oversight Committee will insure our local benefits are delivered as promised.

Keep affordable, state of the art, quality college education and important job training at our College of the Desert working for the future of the Coachella Valley.

YES on CC.

By: Stanley E. Henry, Retired Police Chief / Mayor