

**Innovative Approaches to  
Financing School  
Construction: The Feasibility  
of “Public-Public” Partnership**

21st Annual C.A.S.H. Conference  
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**Presenters**

- Janet Mueller, Attorney
  - ◆ Miller, Brown and Dannis
- William Kadi, Attorney
  - ◆ Jones Hall
- Mike White, Director of Facilities Management
  - ◆ Livermore Valley Joint USD
- Phil White, Vice President
  - ◆ Kelling, Northcross and Nobriga

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**Livermore Valley JUSD - A Case  
Study in Making Joint-Use Work**

- Using the District’s Bonding Capacity for joint-use worked for all parties
- Voters supported multi-agency cooperation as good public policy
- School District legally and politically the lead agency
- Sets the stage for other multi-agency programs and ventures

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**Background:**  
**1975 LVJUSD Tax Override**

- Passed by 50% vote (before Prop 13)
- Took effect in 1975
- \$143.80 per \$100,000 assessed valuation
- Currently generates \$8,000,000 per year
- \$1,000,000 per year for bond debt service
- \$7,000,000 per year for current projects
- Limited to certain schools
- Sunsets in 2000

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**Background: Tax Limitations**

- The Override provides funding for only two more years -Sunsets in the year 2000
- Money not intended to be used for general fund purposes
- Money can be used to furnish and equip, renovate, and modernize certain specific sites

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**Background: Recent Tax Votes**

- **2 failed ballot measures in the 1990's**
  - ◆ **School District Parcel Tax**
  - ◆ **Park District GOB to build a community center**
- **1 success**
  - ◆ **Park District Parcel Tax successfully replaced maintenance assessment district**

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## Cooperation: What makes Measure L GOB unique?

- CITY OF LIVERMORE
  - ◆ New City Library - \$20 million
- LIVERMORE AREA RECREATION AND PARK DISTRICT
  - ◆ Community Center - \$20 million
- LIVERMORE VALLEY SCHOOLS
  - ◆ Modernization/Renovation - \$110 million

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## Cooperation: Who Made It Happen?

- The School District Superintendent
  - ◆ Initiated the concept/discussion
  - ◆ Invited
    - ◆ The City Manager
    - ◆ The Park District General Manager
- Each agency planning separate bond issues
- How would separate elections be viewed by voters

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## Cooperation: Intergovernmental Committee

- The School District raised the issue of the overrides expiration in the year 2000
- The City of Livermore indicated that it was considering a bond for a new public library
- LARPD indicated it was considering a bond for a new community center
  - ◆ Step 1: All agreed to conduct a Community Opinion Survey

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## Community Opinion Survey

- Conducted March 1998
- Sample: 400 interviews by telephone
- Baseline Questions
- Renew override with bonds for Schools, Parks, and Libraries?
  - ➔ 78% Yes
  - ➔ 16% No

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## Community Opinion Survey

- Even when voters were informed of the total costs covering the projects for all 3 public agencies , support for renewal was strong:
  - ➔ 71.5% Yes
  - ➔ 22% No

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## Community Opinion Survey

- If voters were presented with separate proposals, only the school bond would pass
  - ◆ Would vote for schools - 69.8%
  - ◆ Would vote for library - 46.5%
  - ◆ Would vote for community ctr - 44.5%

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## Legal Issues

### ■ Step 2: Legal Issues

#### ◆ Legal Impediments

- ◆ Absent specific legislative authority:
  - School Districts may only finance facilities used for school purposes (EC 15100)
  - General law cities may issue general obligation bonds only for municipal improvements. (GC 43602)

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## Legal Issues

### ■ LVJUSD Special Legislation

#### ◆ Education Code section 18104

- ◆ Authorizes operation of joint use library with another public entity in facility located on either school district property or other public entity land within 1 mile of school site
- ◆ Joint use agreement must address staffing, maintenance, materials acquisition, amendment, termination and materials disposition.

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## Legal Issues

### ■ Additional "Joint Use" Financing Approaches

- ◆ Mello-Roos Community Facilities Districts
  - ◆ Joint Financing Agreements
- ◆ "Creative" Use of GO Bond Funds
  - ◆ Ex. State Highway Improvements
- ◆ Prop. 14 (March 2000) -- Library Bonds
  - ◆ State bonds to fund up to 65% of joint use library new construction and renovation costs.

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## Legal Issues

- Joint Use Program Agreements
  - ◆ Joint Use Agreements (EC 17527)
    - ✦ agreements for use of classrooms and other space in operating school buildings
  - ◆ Community Recreation Programs (EC 10900)
    - ✦ cooperative agreements for recreation purposes
  - ◆ Civic Center Act (EC 38130)
    - ✦ use of school facilities for civic purposes

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## Cooperation: Joint Agency Meetings

- Step 3: Staff directed to continue process
  - ◆ Concept of joint agency bond election supported by all 3 agencies
  - ◆ Staff to define scope of projects for public review
  - ◆ Staff to develop tentative schedule and fiscal implications
  - ◆ Staff to communicate with community leaders

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## Cooperation: Joint Agency Meetings

- Step 4: Initial Public Hearing
  - ◆ Presented poll results
  - ◆ Discussed financial aspects
  - ◆ Identified possible projects
  - ◆ Public comment
- Step 5: Two Public Hearings
  - ◆ Televised, highly promoted
  - ◆ Joint agencies resolution to proceed

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## Cooperation: Benefits?

- Our three agencies have a mutual interest in serving the same community
- One election and one bond is cheaper than three elections and three bonds
- By cooperating, we can provide more facilities and pay less
- Cooperation gets us more bang for the taxpayers' bucks

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## Cooperation: Real Savings

- A fiscal review of a joint proposal revealed significant savings to local taxpayers
  - ◆ the cost of an election was cut by 1/3
  - ◆ the cost of issuing bonds was reduced by \$1 million
  - ◆ delaying projects would add inflation and building costs

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## Cooperation: The Final Steps...

- Agreement to participate by each agencies' Board
  - ◆ Memorandum of understanding (MOU)
    - ✦ Utilization of Funds
    - ✦ Role of District
- Special Legislation that allows the School District to build on another agencies' property - AB1925 (Leach)
- Getting past egos, egos, and egos!

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## The Proposal:

### Basics

- Ask voters to approve a bond measure to renew a local property tax first approved by voters back in 1975
- This vote would not raise taxes, actually cut the current tax rate in half
- It will pay for the renovation and construction projects at Livermore's schools, a new youth - community center, and a public library

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## The Proposal:

### Highlights

- \$150 million General Obligation Bond
  - ◆ \$110 million for the School District
    - ✦ All school sites and District facilities
  - ◆ \$20 million City Library
  - ◆ \$20 million Youth-Community Center
- 6 series issued over 10 years; first issue in summer 2000
  - ◆ First series \$53 million

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## The Proposal:

### A Committee...

- Agencies identify key community leaders
- Informational meetings were held
- Asked for volunteers? Many willing
- The "Livermore Yes Committee" formed:
  - ◆ Committee formed 3 months before District called the election
  - ◆ Selected executive director and committee co-chairs
  - ◆ Representative of the entire community
  - ◆ Began campaign fund raising activities

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**The Proposal:  
Packaging the GOB**

- Tailored the funding to maximize support
  - ◆ Library, Senior Center, Teen Center
- Provided key information to voters
  - ◆ Lowers the existing tax - cut by 50%
  - ◆ Governmental efficiencies -joint use
  - ◆ Investment for the entire community's future

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**The Election:  
Highlights**

- Received support from a broad coalition of community groups -- including community watchdogs
- All newspapers endorsed Measure L
- Several positive feature articles including the San Francisco *Chronicle*
- Last minute opposition by the Alameda County Taxpayers Association.

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**The Election:  
Challenges**

- Campaign aimed at 3 affinity groups
- School District Superintendent left the District in October 1, 1998
- Mid-campaign perceived apathy challenges the campaign leaders
- March election date compressed all election activity in two-month time frame

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The Election:  
Results



- March 2, 1999 Election
  - ◆ 7,793 Yes 82%
  - ◆ 1,697 No 18%
- Measure L overwhelmingly supported by the entire Livermore Community
- First bonds will be issued 8/1/00
- Collaborative projects do work

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