
Piedmont Unified School District Bond Program Update

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A Division of Zions First National Bank

A blue wireframe graphic of a modern building structure, composed of thin white lines forming a grid-like pattern, set against a dark blue background.

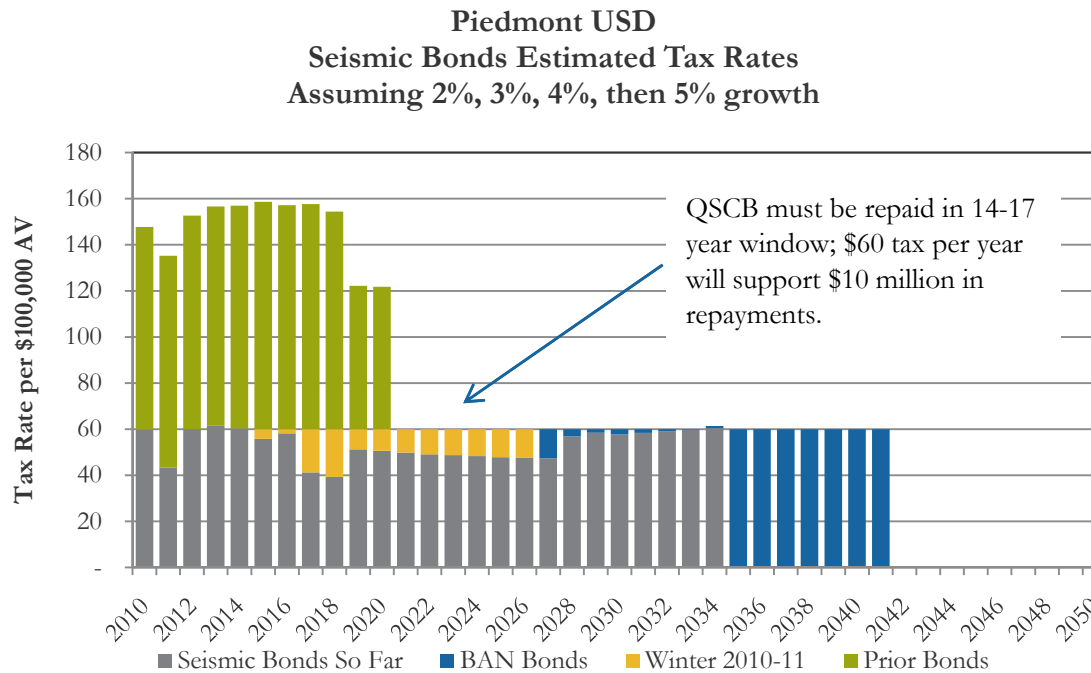
QSCB Allocation

- The District applied for and received an allocation to issue Qualified School Construction Bonds (QSCBs) from the State's 2010 allocation.
- The allocation amount is \$10 million.
- The QSCBs must be issued as general obligation bonds.
 - Small districts are exempt from this requirement.
 - BANs are OK too.
- The QSCBs must be issued by July 14, 2011.



Piedmont's Seismic Bonds as QSCBs

- The District planned (hoped) for the QSCB!
- The principal portion of QSCBs will need to be repaid in 15-17 year.
- Repayment of existing Seismic Bonds + QSCBs + Prior Bonds is structured to stay under \$155 per \$100,000 A.V.



Completing Beach

- The State's delay in funding approved projects has created a cash crunch.
- \$4.9 million has been approved, but when it will be funded is unknown.
- To wait for the State money will delay construction and increase the project costs by up to 6%, or \$420,000
- Knowing that the money is coming eventually, what “bridge” financing options are available to the District?



Bridge Financing Options

- The District would have to pledge its General Fund to repay of the debt. For a \$5 million financing, options and estimated costs are as follows (variations are possible within each option):

Option	Structure	Payments	Total Amount Due in 2 Years
COP	20 year repayment term; interest only for first 2 years	\$315,000 Years 1 & 2 \$500,000 Years 3–20	\$5,000,000
COP	20 year repayment term; interest capitalized for 2 years	\$0 Years 1 & 2 \$570,000 Years 3-20	\$5,725,000
Lease	15 year repayment term; level principal and interest payments	\$490,000 per year	\$4,540,000

What's Next

- Move forward on the QSCB bond issuance.
 - May need to select an underwriter – depending on how competitive market for QSCBs develops. Selection process should be before Board approval of documents.
 - Bond documents to the board in March/April
 - Bonds issued in May, closing by June 1
- Consider Bridge Financing Options
 - Timing – need about 3 months to put financing together.

