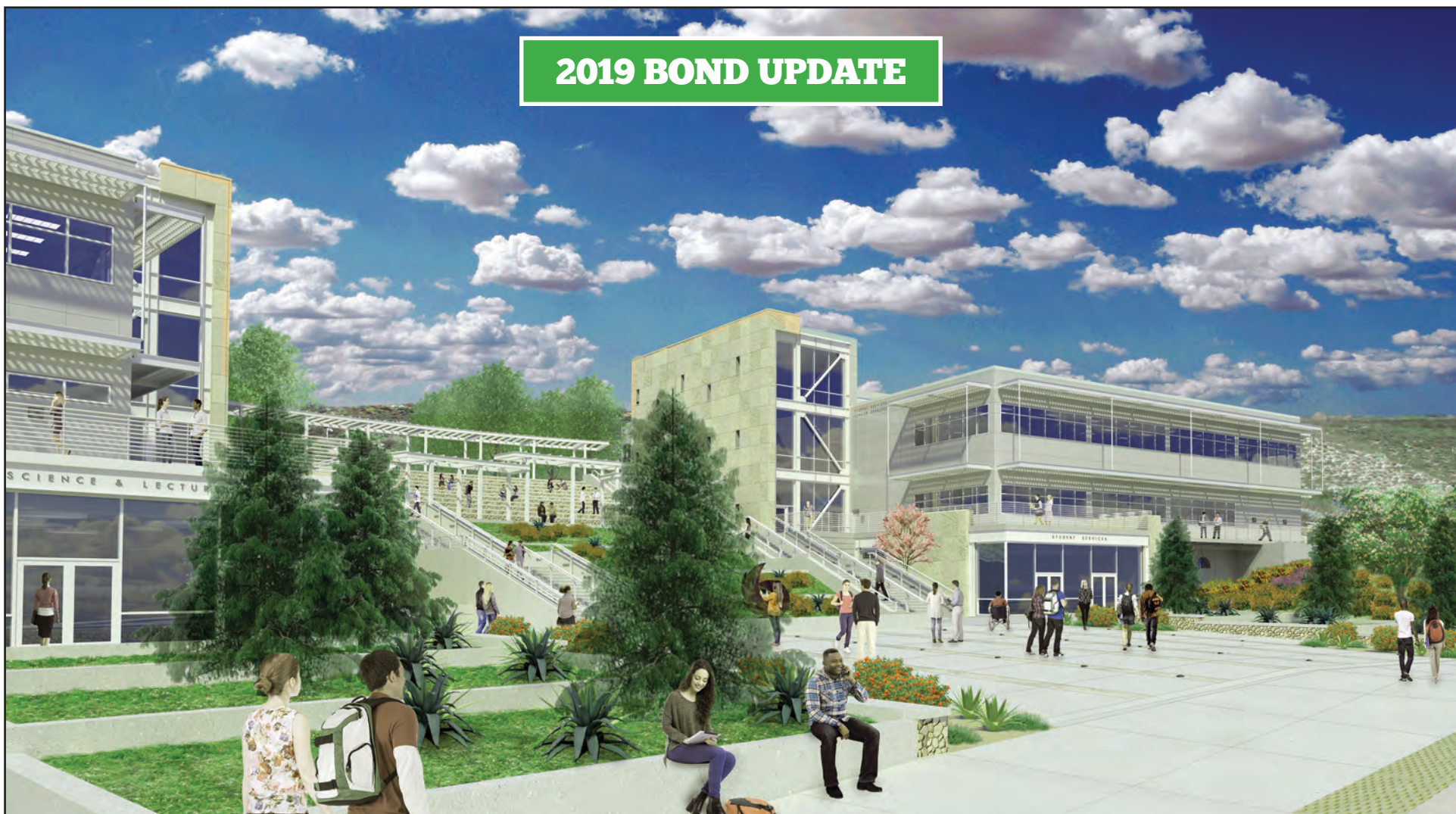


## 2019 BOND UPDATE



Bond funding from measures M and E will be used to build the Student Services/Learning Resources Building at the Canyon Country campus. The Science Center is at left.

# Audit Receives Highest Rating

The college district received the best rating possible in an independent audit of its bond measure expenditures.

The Santa Clarita Community College District's Independent Citizens Oversight Committee accepted the audit results, which showed that the district has properly accounted for all bond expenditures for the 16th consecutive year.

Vavrinek, Trine, Day & Co. LLP conducted both the financial and performance audit, covering the fiscal year that ended June 30, 2018 and issued the district an unmodified opinion – the best rating possible – noting no adjustments, audit findings, questioned costs or instances of bond non-compliance.

The firm presented its report to the oversight committee on Jan. 9, 2019.

“The amount of material you examined in your review is impressive and demonstrates the strength of the district's fiscal oversight of the bond program,” Nick Lentini, chair of the oversight com-

*‘Being able to count on the support of the Santa Clarita Valley community is a privilege as we build for the future and continue to grow in response to community needs.’*

– DR. DIANNE G. VAN HOOK

mittee, said about the auditors' evaluation.

The 2017-18 audits confirm approximately \$229 million in resources from the first five bond issuances, which also includes earned interest and net premium in the bonds. Of that amount, more than \$170 million has been expended on authorized bond projects, leaving the district with a Measure M bond project fund balance of \$10.4 million and a Measure E fund balance of \$48.9 million as of June 30, 2018.

“The work of the Independent Citizens

Oversight Committee is important in confirming for the community that the college is in fact delivering on the construction and renovation projects authorized by voters,” said Sharlene Coleal, assistant superintendent/vice president of business services.

“Being able to count on the support of the Santa Clarita Valley community is a privilege as we build for the future and continue to grow in response to community needs,” Chancellor Dr. Dianne G. Van Hook said.

Since its passage in November 2006, Measure M has funded major facilities such as the Mentry Hall expansion, The Learning Center (TLC)/Library expansion, Dr. Dianne G. Van Hook University Center, Canyon Country campus, College of the Canyons Institute for Culinary Education, and the Canyons Hall student services/administration building. The addition of these facilities has enabled the college to accommodate more students, add programs, and enhance access and opportunity as enrollment grew 44 percent from 2004 to 2017.

The balance of Measure M was used to begin construction of the Science Center at the Canyon Country campus and a 1,659-space parking structure at the Valencia campus. Measure E, the \$230 million general obligation bond measure approved by voters in June 2016, provided the funding to complete those two projects and will enable the college to fund future construction projects at both campuses.

# Measure E Bond Sale Yields \$85 Million

The second bond issuance of Measure E, the Santa Clarita Community College District general obligation bonds, were sold on Aug. 7, yielding \$85 million to assist College of the Canyons in building out the Canyon Country campus and upgrading the Valencia campus.

“We look forward to enhancing facilities at both campuses, which will allow us to expand programs and services for students and deliver on the commitment we made to voters in 2016,” said College of the Canyons Chancellor Dr. Dianne G. Van Hook. “This year marks the college's 50th year of service to Santa Clarita, and thanks to the community's support through Measure E, we are well-positioned for continued growth and development in the years to come.”

As a part of the financing process, the District re-affirmed its credit ratings with Fitch Ratings and Standard & Poor's, which issued an “AAA” rating—the highest rating assigned to a community college—and an “AA” rating, respectively, with stable outlooks.

As a result, the district received over \$544 million in orders for the \$85 million in bonds being offered, which demonstrated significant investor interest in the district's bonds.

The current interest bonds went to market August 7 with a final true interest



The Science Center at the Canyon Country campus is on track for completion in 2020.

cost of 2.8 percent, down from 3.1 percent just 24 hours earlier. The rate drop, which came in response to action by the Federal Reserve and changes in the global economy, led to a \$7 million savings for local taxpayers.

“The successful outcome was due to the expertise of district staff and their financial advisors, who ensured the college was ready to take the bonds to market at the optimal time,” said Assistant Superinten-

dent/Vice President of Business Services Sharlene Coleal.

Local voters approved Measure E in June 2016 for a total of \$230 million to fund multiple projects at both campuses. The bonds are funding construction of the Science Center, which is located at the Canyon Country campus and serves as a focal point for students and first-time visitors. The approximately 52,000-square-foot building will primarily be devoted to physical and

biological sciences, housing eight labs, plus lecture classrooms.

The Student Services/Learning Resources Building will be the new home to Student Services and The Learning Center (TLC). The four-story building will sit adjacent to the Science Building at the center of campus and will provide office and library space.

Measure E also enabled the college to build a three-story parking structure at the Valencia campus, which added 1,659 parking spaces. Measure E funds will also go toward the renovation of several existing buildings at the college's Valencia campus.

Projections show student enrollment at College of the Canyons growing to reach 30,000 students per semester over the next decade or so. That increase is expected in part from new programs like Canyons Promise, which provides first-time, full-time students with two free years of college, as well as College Now!, which enables high school students to take courses without paying the \$46 per unit enrollment fee.

The district's bond finance team included Piper Jaffray as the Investment Banking/Underwriting Firm, Isom Advisors serving as Municipal Advisor for the transaction, and Stradling Yocca Carlson & Rauth serving as Bond and Disclosure Counsel.



# Refund to Save Taxpayers \$8.3 Million

College of the Canyons refunded \$31 million of outstanding general obligation bond debt. The district’s taxpayers will have cash flow savings of \$8.3 million over the next 23 years. This represents an overall savings of 12.96 percent of the bonds that were refunded.

“The Santa Clarita Community College District worked quickly to take advantage of the current low interest rates to refund the bonds and save local property owners money in the process,” Chancellor Dr. Dianne G. Van Hook said. “Due to the college’s solid credit ratings, our bonds always attract interest from strong and stable investors.”

The Santa Clarita Community College District Board of Trustees voted Nov. 6 to refund these particular general obligation

bonds from Measure M. The sale was completed on Nov. 14.

This is the third time in six years the college has refunded bonds to lessen the tax impact on property owners. A 2016 refunding yielded \$35 million of savings, which represented more than a 23 percent reduction. That refunding also lowered taxes for area property owners.

The Government Finance Officers Association, a national non-profit organization dedicated to providing guidance to improve government management, advises that agencies should consider refunding bonds if they can save taxpayers at least 3 percent. The college district’s overall savings of 12.96 percent of the bonds that were refunded indicates how advantageous it was to refund now.

“The Measure M and E Citizens Oversight Committee applauds Chancellor Dr. Dianne Van Hook and the college’s staff for their efficient actions to maximize the bond funds to improve the college’s two campuses,” said Nick Lentini, chair of the bond oversight committee. “Their proactive approach in working with professionals in the bond management industry has repeatedly provided savings to Santa Clarita Valley taxpayers.”

Measure C, which local voters passed in 2001, funded a number of significant facilities improvements, including the cost of acquiring land to build the Canyon Country campus, and constructing the Hasley Hall classroom and computer facility, the Aliso Hall and Aliso Lab science facilities, and the Pico Canyon Hall performing arts class-

room and rehearsal spaces.

The funding provided through Measure M helped the college complete a number of projects, including all initial buildings at the Canyon Country campus. It also qualified the college to receive state matching funds used in building the Dr. Dianne G. Van Hook University Center. Other key projects include the College of the Canyons Institute for Culinary Education, the Mentry Hall classroom expansion, Library and The Learning Center expansion, Applied Technology Education Center at the Canyon Country campus, and the Canyons Hall student services center.

Together, Measure C and Measure M qualified College of the Canyons to receive \$56.2 million in construction funds from the state.

## Boykin Hall to be Renovated

College of the Canyons has received the state funding necessary to begin planning much-needed renovations to Boykin Hall, a 44-year-old science laboratory facility at the Valencia campus, thanks to the efforts of Sen. Scott Wilk and Assemblywoman Christy Smith.

“As one of the college’s oldest buildings, Boykin Hall has been long overdue for a renovation,” Chancellor Dr. Dianne G. Van Hook said. “We are so grateful to receive state funding to modernize the building that has served as the bedrock for the college’s science programs.”

The 2019-20 state budget includes \$397,000 that will fund preliminary plans and working drawings for the renovation project. The funding comes from Proposition 51, the 2016 statewide facilities construction bond.

“We need to make the investments required to remain competitive in fields such as science and engineering,” said Wilk (R-Santa Clarita). “We have the moral obligation to give every opportunity to the next generation to succeed.”

Throughout the 2019 legislative session, Wilk and Smith advocated increasing Prop 51 funds for community college construction projects, and worked to ensure College of the Canyons was included in the state budget.

“The college has been very ambitious in meeting its goals of serving a student population that has increased dramatically, so it meant a lot to us to bring this across the finish line,” said Smith (D-Santa Clarita).

Total cost of modernization is \$9.4 million. The state is expected to provide \$4.4 million in Prop 51 funding in the 2020-21 budget, in addition to the \$397,000 already received. The college’s share – \$4.6 million – will come from Measure E, the bond measure approved by voters in 2016.

## Message to Our Community



**NICK LENTINI**  
Chair, Independent Citizens Oversight Committee

On behalf of the Independent Citizens Oversight Committee, it is my pleasure to present this bond update to the community.

Over the last year, my fellow committee members and I have continued to monitor the work being accomplished at College of the Canyons as a result of funds made available through the voter-approved Measure M and Measure E general obligation bonds.

The purpose of this update is to provide an overview of the progress of the bond programs and to assure the citizens of our community that their tax dollars are being spent as intended by the ballot measures. We are pleased to report that our committee is satisfied with both the tangible progress and fiscal management of the college district’s general obligation bond programs.

College of the Canyons’ leadership and staff are to be commended for their conscientious stewardship of Measure M and Measure E. At the same time, we applaud the continued support of local citizens. This collaboration will ensure that College of the Canyons remains a premier institution of higher education for many years to come.

Sincerely,

For more information, please visit [canyons.edu/bonds](https://canyons.edu/bonds)

## Project Summary

Major bond-funded facilities, upgrades and improvements funded by Measures E and M. Projects funded by Measure C are included when funding was derived in combination with Measure M.

### STUDENT SERVICES

**LOCATION:** CANYON COUNTRY  
**STATUS:** PLANNING  
**SCOPE:** 55,000 SF BUILDING  
**MEASURES E & M:** \$30,000,000

### BOYKIN HALL

**LOCATION:** VALENCIA  
**STATUS:** PLANNING  
**SCOPE:** MODERNIZATION  
**MEASURE E:** \$4,615,000  
**STATE:** \$4,879,000  
**TOTAL:** \$9,494,000

### LECTURE BUILDING

**LOCATION:** CANYON COUNTRY  
**STATUS:** PLANNING  
**MEASURE E:** \$1,000,000

### HVAC MODERNIZATION

**LOCATION:** CANYON COUNTRY  
**STATUS:** PLANNING  
**MEASURE E:** \$1,200,000

### SCIENCE BUILDING

**LOCATION:** CANYON COUNTRY  
**STATUS:** COMPLETION 2020  
**SCOPE:** 55,000 SF  
**MEASURES E & M:** \$35,500,000

### PHYSICAL EDUCATION WEST

**LOCATION:** VALENCIA  
**STATUS:** COMPLETION 2020  
**SCOPE:** MODERNIZATION  
**MEASURE E:** \$3,200,000

### ADA TRANSITION PLAN

**LOCATION:** VALENCIA  
**STATUS:** PHASE 1 2020, PHASE 2 2022  
**MEASURE E:** \$2,900,000 (PHASE 1)  
**MEASURE E:** \$3,400,000 (PHASE 2)

### DOOR/LOCK REPLACEMENT

**LOCATION:** DISTRICTWIDE  
**STATUS:** PHASE 1 AND 2 COMPLETED  
**MEASURE M:** \$1,774,197 (PHASE 1)  
**MEASURE E:** \$925,000 (PHASE 2)

### CENTRAL PLANT

**LOCATION:** CANYON COUNTRY  
**STATUS:** COMPLETED 2019  
**MEASURES E & M:** \$7,500,000

### PARKING STRUCTURE

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2019  
**SCOPE:** 1,659 SPACES, THREE LEVELS  
**MEASURE E:** \$22,300,000 (STRUCTURE)  
**MEASURE E:** \$987,879 (UTILITIES)  
**TOTAL:** \$23,287,879

### BOYKIN LECTURE HALL

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2019  
**SCOPE:** REMODEL  
**MEASURE E:** \$826,739

### SCIENCE LABS

**LOCATION:** CANYON COUNTRY  
**STATUS:** COMPLETED 2017  
**SCOPE:** ADD WET LABS  
**MEASURE M:** \$1,093,412



### SOCCER FIELD

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2016  
**MEASURE M:** \$2,366,956

### CANYONS HALL

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2015  
**SCOPE:** 46,370 SF  
**MEASURE M:** \$11,273,633  
**STATE:** \$6,308,000  
**LOCAL:** \$12,446  
**TOTAL:** \$17,594,079

### CULINARY ARTS FACILITY

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2015  
**SCOPE:** 12,208 SF  
**MEASURE M:** \$8,544,048  
**LOCAL:** \$1,320,600  
**TOTAL:** \$9,864,648

### PARKING STRUCTURE VALENCIA CAMPUS

### PARKING LOT

**LOCATION:** CANYON COUNTRY  
**STATUS:** COMPLETED 2016  
**MEASURE M:** \$1,380,995 (M)

### LIBRARY/TLC EXPANSION

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2012  
**SCOPE:** 51,435 SF (86,606 TOTAL)  
**MEASURE M:** \$6,432,069  
**STATE:** \$9,414,000  
**TOTAL:** \$15,846,069

### APPLIED TECH CENTER

**LOCATION:** CANYON COUNTRY  
**STATUS:** COMPLETED 2011  
**SCOPE:** 15,000 SF  
**MEASURE M:** \$7,114,273

### MENTRY HALL EXPANSION

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2010  
**SCOPE:** 28,000 SF (78,237 TOTAL)  
**MEASURE M:** \$12,428,583  
**LOCAL:** \$100,000  
**TOTAL:** \$12,528,583

### UNIVERSITY CENTER

**LOCATION:** VALENCIA  
**STATUS:** COMPLETED 2009  
**SCOPE:** 110,000 SF  
**MEASURES M & C:** \$9,816,584  
**STATE:** \$20,974,000  
**LOCAL:** \$9,024,396  
**TOTAL:** \$39,814,980

### CANYON COUNTRY CAMPUS

**LOCATION:** CANYON COUNTRY  
**STATUS:** PHASE 1 COMPLETED 2007  
**SCOPE:** LAND, SITE DEVELOPMENT, MODULARS  
**MEASURES M & C:** \$58,011,265