

Tam bond sales ease tax burden

\$50 million to update facilities

By Nancy Isles Nation
IJ reporter

Taxpayers in the Tamalpais Union High School District got a break with the sale of nearly \$50 million in bonds to finance modernization of school facilities.

The bonds were sold for an interest rate of 4.68 percent, which means property owners will pay less in taxes on their homes than was anticipated when the bond measure was put before voters in March 2001.

The rate, 10 percent lower than projected, was secured based on the district's exceptional AA-plus rating from Standard & Poor's. Only four school districts in the state carry such a high rating, according to Patrick Larrigan of Government Financial Strategies Inc. in Sacramento, which developed the financial plan for the bond measure.

Government Financial Strategies had projected a cost to taxpayers of \$32.90 per \$100,000 in assessed value annually in its financial plan. Given the 4.68 percent rate, the assessment was brought down to \$29.30.

The district has an unusually high tax base, with \$18.5 billion assessed valuation, and has a reputation for being well-managed, Larrigan said.

The bond issue was underwritten by a syndicate led by the San Francisco investment banking firm Stone & Youngberg.

Tom Lockard, managing director at Stone & Youngberg, said officers with the company are familiar with the Tamalpais district, which includes three comprehensive and two alternative high schools.

"A lot of people are from the area and have gone through the district," Lockard said. "It is well structured and soundly structured."

Lockard said taxpayers were fortunate in getting rates that have not been available since the 1970s.

The \$121 million bond measure is being used to modernize facilities throughout the district, including Sir Francis Drake High School in San Anselmo, Tamalpais High School in Mill Valley, and Redwood High School, Tamiscal Independent Study and San Andreas High School in Larkspur.

Heavy construction started this summer on several of the campuses, and work is expected to continue through 2005.

Stone & Youngberg, which specializes in K-12 and community college capital financing, recently managed the sale of \$16 million in bonds for San Rafael City Schools. The rate for the elementary school issue is 4.84 percent and the interest rate for the high school district is 4.86.

San Rafael voters authorized a \$26 million bond measure for the elementary schools and a \$13 million measure for the high school district in 1999.

Last month, the San Rafael City Schools Board of Education voted to place a measure on the November ballot seeking another \$100 million in bond issues to complete facilities work outlined in its master plan.