

MIRACOSTA COMMUNITY COLLEGE DISTRICT

(This Measure will appear on the ballot in the following form.)

MEASURE MM

MIRACOSTA COLLEGE JOB TRAINING, COLLEGE TRANSFER, VETERAN SUPPORT MEASURE. To upgrade classrooms and career training facilities for science, healthcare, technology, advanced manufacturing, other growing local industries, provide job training/placement to Navy/ Marines/ other veterans, improve access to affordable higher education to local students, improve disabled access, repair, construct, acquire classrooms, facilities, sites/equipment, shall MiraCosta Community College District issue \$455,000,000 in bonds, at legal rates, subject to local control, requiring annual audits, and independent citizen oversight?

Bonds - Yes

Bonds – No

This measure requires approval by 55% of the voters voting on the measure. Full text of this measure follows the arguments and rebuttals.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This measure was placed on the ballot by the governing board of the MiraCosta Community College District ("District"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$455,000,000 in general obligation bonds. The sale of these bonds by the District is for the purpose of raising money for the District, and represents a debt of the District. In exchange for the money received from the bond holders, the District promises to pay the holders an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure will also authorize an annual tax to be levied upon the taxable property within the District. The purpose of this tax is to generate sufficient revenue to pay interest on the bonds as it becomes due and to provide a fund for payment of the principal on or before maturity.

Proceeds from the sale of bonds authorized by this measure may be used by the District for the construction, reconstruction, rehabilitation or replacement of community college facilities, including the furnishing and equipping of community college facilities, or the acquisition or lease of real property for community college facilities.

The interest rate on any bond, which is established at the time of bond issuance, could not exceed 12% per annum. The final maturity date of any bond could be no later than 40 years after the date the bonds are issued as determined by the District.

The tax authorized by this measure is consistent with the requirements of the California Constitution. The California Constitution permits property taxes, above the standard one percent (1%) limitation, to be levied upon real property to pay the interest and redemption charges on any bonded indebtedness for, among other things, the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, when approved by 55% of the voters if:

COUNTY COUNSEL IMPARTIAL ANALYSIS (CONTINUED)

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District, by evaluating safety, class size reduction, and information technology needs, has approved a list of specific projects to be funded,
- (3) the District will conduct an annual, independent performance audit, and
- (4) the District will conduct an annual, independent financial audit.

If a bond measure is approved, state law requires the District to establish an independent citizens' oversight committee. The District has made this ballot measure subject to these requirements.

Approval of this measure does not guarantee that the proposed projects in the District that are the subject of these bonds will be funded beyond the local revenues generated by this measure.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$455,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$455,000,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in the MiraCosta Community College District (the "District") on November 8, 2016, for the purpose of submitting to the electors of the District the question of issuing up to \$455,000,000 in principal amount of General Obligation Bonds. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information regarding tax rates is given to comply with Section 9401 of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District's assessed valuation, and assuming the entire debt service will be paid through property taxation:

1. The best estimate of the tax rate that would be required to be levied to fund the 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 \$0.01499 per \$100 of assessed valuation (or \$14.99 per \$100,000 of assessed valuation for fiscal year 2017/18.
2. The best estimate of the tax rate that would be required to be levied to fund the 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 the filing of this statement, is \$0.01499 per \$100 of assessed valuation (or \$14.99 per \$100,000 of assessed valuation) for fiscal year 2024/25.
3. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, and an estimate of the years in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement, is \$0.01499 per \$100 of assessed valuation (or \$14.99 per \$100,000 of assessed valuation), which is projected to be the same in every fiscal year that the bonds remain outstanding.

TAX RATE STATEMENT (CONTINUED)

4. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$777,089,013.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on the County's official tax rolls, not on the property's market 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. 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 to all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which are not binding upon the District. The actual timing of bond sales and the amount of bonds sold at any given time will be governed by the needs of the District, the state of the bond market, and other factors. The actual interest rates on any bonds sold will depend upon market conditions and other factors at the time of sale. The actual assessed valuations in future years will depend upon the value of the property within the District as determined in the assessment and equalization process. Therefore, the actual tax rates and the years in which such rates are applicable may vary from those presently estimated as stated above.

Sunita V. Cooke, Ph.D.
Superintendent President
MiraCosta Community College District

ARGUMENT IN FAVOR OF MEASURE MM

Vote YES on Measure MM to improve MiraCosta College: a vital contributor to our North San Diego County economy and an essential resource for local students seeking affordable higher education and preparation for 21st century careers.

MiraCosta College provides training in growing fields like biotechnology, nursing, maritime technology and high-tech manufacturing. Local technology companies, hospitals and businesses count on MiraCosta College for skilled workers.

More than 1,800 active-duty military personnel, veterans and their families rely on MiraCosta College for essential job training and counseling services.

From Carmel Valley in the south to Camp Pendleton in the north, more than one- third of local high school graduates attend MiraCosta College. As the cost of four- year college skyrockets, demand for MiraCosta College's excellent, affordable higher education has risen.

It has been more than 50 years since MiraCosta College received significant funding for facility improvements. Classrooms, laboratories and career training facilities need upgrading. Additional classrooms and labs are needed to serve the growing demand for career training in healthcare, science, technology, engineering and math. State government will not provide the necessary funds to our college.

Vote YES on MM:

- Upgrade career training facilities for science, nursing, healthcare, engineering, technology and skilled trades
- Improve facilities for veterans' job training, counseling and support services
- Update instructional technology for improved student learning in math, science and technology
- Improve access for students with disabilities
- Repair or replace leaky roofs, worn-out floors and restrooms, old rusty plumbing and faulty electrical systems

Every Penny Stays Local

- All funds would support our local community college
- No funds could be taken by the State
- No funds could be spent on salaries or pensions
- Independent citizens' oversight is required

Join business leaders, veterans, taxpayer advocates, educators and students in supporting Measure MM: protect MiraCosta College as an essential resource for local students and employers alike.

GREGORY A. STEIN
Chairman of the Board,
San Diego County Taxpayers Association

JOE PANETTA
President & CEO, Biocom

DAVID M. BRAHMS
Brigadier General, USMC, (ret.)

EMILY RUSSELL
President, National Student
Nurses Association at MiraCosta College

JIM ASHCRAFT
Encinitas Business Owner

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE MM

MiraCosta College District Property Owners

Alert

The proposed MiraCosta College bond is completely unnecessary and a shameless waste of taxpayer's money

In 2000, the percentage of votes needed to pass K12 and community college school bonds was reduced from 66 2/3rds% to 55%. Now over 80% of school bonds pass, regardless of their size or justification. Because of this, many districts are now seeking the maximum bond amounts allowed by law, rather than just what they truly need. MiraCosta's massive demolish and rebuild proposal appears to be a product of this wasteful thinking.

MiraCosta wants the voters to give it \$455 million, without specific plans or meaningful justification, and then allow it, in all its wisdom, to determine how to spend the money. This upside down process must be rejected because it includes no guarantees that everything presented to the voters will ever be built.

MiraCosta, in its proponent statement, side stepped the point that its income over the past 50 years has been tremendous. It is one of only a few college districts that has been able to fund both an extravagant operation and a robust building program without General Obligation Bonds, for such a period of time.

Throughout the MiraCosta College District there are multiple K12 school districts. Each of which probably having one or more outstanding bonds; therefore, to avoid expensive unexpected tax impacts, the cumulative cost of all school bonds must be carefully considered before voting.

Stop the Waste

Vote No on Measure MM

GARY D. GONSALVES MD
Medical Doctor

ROBERT BONDE
President Encinitas Taxpayers Assoc.

JERRY PETERS
Pres. Of the Cardiff Taxpayers Assoc.

SHEILA S. CAMERON
Former Encinitas Mayor

ARGUMENT AGAINST MEASURE MM

Vote No on MiraCosta College Measure MM

The proposed MiraCosta College \$455 million General Obligation Bond is not necessary. This request for more tax dollars comes at a time when facility needs are declining because of flat enrollment and 40% of all of MiraCosta's credits are now being granted for online courses.

MiraCosta is a wealthy district. It receives more each year in local property taxes and other income than required to operate its educational programs and with state aid, to fund its ongoing facilities' needs. Over the years, taxpayers have provided MiraCosta more than 70 buildings. About half, have been constructed in the past 40 years.

Now, it appears that those in power want to reconfigure the 3 campuses. They want \$455 million of your money to tear down some very expensive, fully functional buildings and to replace them with new ones. Because the \$455 million is beyond MiraCosta's borrowing and state support limits, it is jumping on the bond market band wagon and hoping voters will blindly pass its unsupported Measure MM request.

MiraCosta has language in this proposal that will allow it to basically use the \$455 million for whatever construction projects it wants, where it wants and when it wants. Consequently, if voters approve the bond they will not be assured that everything proposed will ever be built.

The massive \$455 million is not justified. The MiraCosta bond request amount is 23 times more than the system wide California Community College Trustees included in its 5 year plan and 10 times more than even what MiraCosta told these trustees it needed.

While additional facilities may be desired, they appear to be within the capability of the existing MiraCosta budget. No new bonds/taxes are required.

Please stop the waste - Vote No on MiraCosta Collage Measure MM

GARY D. GONSALVES M.D.
Co-founder Stop Taxing Us

SHEILA S. CAMERON
Former Mayor of Encinitas

BRIAN J. BRADY
Former Board Member -
Republican Party of San Diego County

JERRY PETERS
President of the Cardiff Taxpayers Assoc.

ROBERT BONDE
President Encinitas Taxpayers Association

REBUTTAL TO ARGUMENT AGAINST MEASURE MM

Our opponents have misunderstood or mistaken the facts.

Let's correct the record:

FACT: MiraCosta College's facility needs are rising because the State of California eliminated community college facility funds 10 years ago. That's why nearly every other community college in California has passed bonds recently – some, multiple times. MiraCosta College hasn't passed one in 50 years. Measure MM is also necessary to help MiraCosta College qualify for any future state facility funds.

FACT: Over 19,000 students take classes at MiraCosta College each semester, in person. MiraCosta College is a leader in providing online content, but thousands of students are pursuing programs requiring hands-on learning, real world training and practical experience. Measure MM is necessary to provide these skills for today's jobs in manufacturing, technology, healthcare and other growing fields.

FACT: Our aging college, which has served our region well for decades, is offering 21st century career training in buildings from the 1950s and 1960s. We can be proud that the college has taken care of its facilities for so many years, but we live in a rapidly changing world and it's simply not possible to prepare students to compete for today's and tomorrow's jobs in classrooms and labs built 50 years ago.

FACT: Measure MM is a thoughtful plan, focused on essential improvements, with a specific project list, subject to citizen oversight annual audits. That's why it is one of very few 2016 measures endorsed by the San Diego County Taxpayers Association.

Please join us – Vote Yes on Measure MM.

CHUCK ATKINSON
President/Founder Veterans
Association of North County

GREG STEIN
Chairman of the Board, San Diego County
Taxpayers Association

MARK CAFFERTY
President & CEO, San Diego
Regional Economic Development Corp.

DONNA CLEARY
San Diego Republican Party Activist

LISA MONTES
Solana Beach Educator and Leader

FULL TEXT OF MEASURE MM

MIRACOSTA COMMUNITY COLLEGE DISTRICT

BOND MEASURE ELECTION NOVEMBER 8, 2016

"MIRACOSTA COLLEGE JOB TRAINING, COLLEGE TRANSFER, VETERAN SUPPORT MEASURE. To upgrade classrooms and career training facilities for science, healthcare, technology, advanced manufacturing, other growing local industries, provide job training/placement to Navy/ Marines/ other veterans, improve access to affordable higher education for local students, improve disabled access, repair, construct, acquire classrooms, facilities, sites/equipment, shall MiraCosta Community College District issue \$455,000,000 in bonds, at legal rates, subject to local control, requiring annual audits and independent citizen oversight?"

Bonds - Yes

Bonds – No

PROJECTS

The Board of Trustees of the MiraCosta Community College District, to be responsive to the needs of its community, evaluated MiraCosta College's urgent and critical facility needs, and its capacity to provide students, active military, and **Veterans** with support and **job training** facilities, and an **affordable education** to prepare them for success in **college and careers**. **Veteran's support, job training** facilities, safety issues, class size and offerings, and information and computer technology were each considered in developing the scope of projects to be funded, as such are outlined in the District's Facilities Master Plan 2016 Update and incorporated herein by reference in its entirety, and available for review on the District's website (www.miracosta.edu). In developing the scope of projects, basic repairs, **job training** facilities, campus safety, facilities **supporting Veterans**, and the expansion of opportunities for local students to receive an **affordable, quality education**, were **prioritized**. If these facility needs are not addressed now, MiraCosta College would be unable to remain competitive in preparing students for jobs in high demand industries and **university transfer**. The Board of Trustees determines that **MiraCosta College MUST:**

- (i) **Improve career training facilities for science, healthcare, technology and skilled trades to better prepare students and returning veterans for success in college and careers.**
- (ii) **Increase opportunities for local students to earn college credits, certifications and job skills at reasonable prices and transfer to four-year colleges and universities;**
- (iii) **Expand and improve the Veterans' Center and provide job training, job placement, counseling, and support services to Navy, Marine and other military veterans and their families;**
- (iv) **Continue training local workers and partnering with local industries in biotech, aerospace, high-tech manufacturing, biomedical engineering, computer science and nursing to drive our local economy;**
- (v) **Ensure that all money raised by this measure will stay in our community to support local students, and cannot be taken away by the State or used for other purposes;**

FULL TEXT OF MEASURE MM (CONTINUED)

- (vi) **PROVIDE LOCAL NORTH COUNTY STUDENTS WITH AN AFFORDABLE, HIGH-QUALITY EDUCATION;**
- (vii) **Adhere to stringent fiscal accountability safeguards including:**
 - (a) **All expenditures will be subject to annual independent financial audits,**
 - (b) **No funds will be used for administrator or faculty salaries and pensions,**
 - (c) **An independent citizens' oversight committee will be appointed to ensure that all funds are spent only as authorized.**

The following types of projects are authorized to be undertaken at each of the District's locations:

PROVIDE AN AFFORDABLE EDUCATION FOR LOCAL RESIDENTS AND VETERANS:

Facility Improvements Needed To Update Classroom, Laboratory Instruction and Technology To Support Core Subjects, Like Math, Science and Technology

Goals and Purposes: The cost to attend the University of California and the State University systems has become so expensive, more local students and their families rely on MiraCosta College to start their education and save tens of thousands of dollars. Additional funds are needed to ensure local students have access to affordable, high quality education in North County.

Since more than one-third of all local high school graduates rely on MiraCosta College for higher education and to prepare them for careers, this essential community resource must be maintained.

- Add classrooms and laboratories for high-demand courses in nursing, biotechnology, biomanufacturing, and other skilled trades that serve the local economy.
- Improve student safety and campus security systems, including security lighting, and emergency communications systems, smoke detectors, fire alarms and sprinklers.
- Repair leaky roofs, worn out floors and restrooms, old rusty plumbing, and faulty electrical systems.
- Update campus facilities to improve access for students with disabilities.
- Update instructional technology in the classrooms for improved student learning in core subjects like math, science and technology.

FULL TEXT OF MEASURE MM (CONTINUED)

PROVIDE JOB TRAINING, COLLEGE TRANSFER AND VETERAN SUPPORT:

Facility Improvements
To Help Students and Veterans Transfer to Four-Year
Universities or be Trained For High Demand Jobs

Goals and Purposes: MiraCosta College is one of the most important Veterans' serving institutions in California. It provides job training and counseling to approximately 1,800 active military and veterans every year. Upgraded and expanded veteran services and job training are needed so returning service members receive the support they need to complete their education and enter the civilian workforce.

MiraCosta College is a vital resource for our business community that relies on the college to train future and current employees in fields like biomedical engineering, nursing, hospitality and other high demand careers.

- Upgrade science center and labs to allow for state-of-the-art courses in biology, chemistry and physical sciences.
- **Expand and improve the Veterans' Center, which provides job training, counseling, and support services to Navy, Marine, and other military veterans and their families.**
- Update classrooms, labs, libraries and computer systems to keep pace with technology.
- Improve career training facilities for science, healthcare, technology and skilled trades to better prepare students and returning veterans for success in college and careers.

* * *

FISCAL ACCOUNTABILITY

This bond measure has strict accountability requirements including:

1. All money will benefit MiraCosta College campus and CANNOT BE TAKEN BY THE STATE.
2. NO MONEY can be used for ADMINISTRATOR OR FACULTY SALARIES or pensions.
3. Require CITIZENS' OVERSIGHT and yearly audits to ensure all funds are used locally, effectively and as promised.
4. NO ADMINISTRATOR OR FACULTY SALARIES. Proceeds from the sale of the bonds authorized by this proposition shall be used only for the acquisition, construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher, faculty and college administrator salaries, pensions and other operating expenses.

FULL TEXT OF MEASURE MM (CONTINUED)

- FISCAL ACCOUNTABILITY. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE CONDUCTED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses, a customary contingency, and costs associated with the Total Cost of Ownership of facilities and equipment. In addition to the listed projects stated above, authorized projects also include the acquisition of a variety of instructional, maintenance and operational equipment, including interim funding incurred to advance fund projects from payment of the costs of preparation of all facility planning, fiscal reporting, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated college activities caused by construction projects. In addition to the projects listed above, repair, renovation and construction projects may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; replace aging electrical and plumbing systems; repair and replacement of heating, ventilation and air conditioning systems; acquire vehicles; upgrade of facilities for energy efficiencies, including photovoltaic/solar installations; repair and replacement of worn-out and leaky roofs, windows, walls doors and drinking fountains; replace or remove outdated buildings and classrooms and construction of new classrooms and support buildings; installation of wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade facilities to meet earthquake safety standards, current environmental sustainability and State compliance standards; repair and replacement of fire alarms, emergency communications and security systems; upgrading, resurfacing, replacing or relocating of hard courts, fields, turf and irrigation systems; install sod or artificial turf on athletic fields; upgrade classrooms; build or upgrade facilities; construct, expand or reconfigure facilities to create lecture classrooms; construct parking lots, upgrade, resurfacing and reconditioning existing parking lots; improve vehicular access and traffic circulation; improve pathways, such as sidewalks, pedestrian bridge, traffic center; improve drop-off zones, bus stops; repair, upgrade and install interior and exterior lighting systems; replace water lines and valves, gas and sewer lines and other plumbing systems; construct, upgrade, acquire or expand multi-use classrooms and labs, fine arts and visual and performing arts facilities, learning resources center, physical education/aquatic facilities, gym, locker rooms, field lights, bleachers, press box, track replacement, support buildings, student service/campus center and instructional buildings, campus police building, resource center, libraries, automotive building, athletic fields, student services buildings; improve water conservation and energy efficiency; acquire land; replace or upgrade outdated security and safety systems; replace existing window systems with energy-efficient systems to reduce costs; improve insulation, weatherproofing and roofs to reduce costs; improve access for the disabled; install and repair fire safety equipment, including alarms, smoke detectors, sprinklers, emergency lighting, and fire safety doors; replace broken concrete walks, deteriorated asphalt; replace/upgrade existing signage, bells and clocks; demolition of unsafe facilities; install new security systems, such as security (surveillance) cameras, burglar alarms, handrails, outdoor lighting, fencing, gates and classroom door locks; create outdoor study and gathering spaces; interior and exterior painting, wall and floor covering replacement; improve drainage systems to prevent flooding; upgrade roadway and pedestrian paths for improved safety and access for emergency vehicles, site parking, utilities and grounds. The project list also includes the refinancing of outstanding lease obligations. The upgrading of technology infrastructure includes, PR-35M0-MM-11

FULL TEXT OF MEASURE MM (CONTINUED)

but is not limited to, upgrading classroom technology, expanding wireless internet access, acquire portable interface devices, servers, switches, routers, modules, sound projection systems, information systems, printers, digital white boards, upgrade voice-over-IP, communication systems, audio/visual and telecommunications systems, call manager and network security/firewall, Internet connectivity, wireless systems, technology infrastructure, and other miscellaneous IT and instructional equipment, DATA storage, fiber/copper infrastructure, phones, identity access cards and the creation. The Project List includes the construction of buildings for general education classrooms, chemistry and biotechnology, allied health, arts/ media services, engineering, math, technology and applied sciences and physical education and kinesiology, and the renovation of facilities for student services, business and workforce development, biology and related sciences.

The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. Some projects may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may Oceanside Campus or in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects.

Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.