

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

SK LRFPP Recommendation: **REBUILDING SK FACILITIES**

We are pleased to present for consideration our recommendation to **REBUILD SOUTH KITSAP FACILITIES**. We find ourselves in a position in the South Kitsap School District where most facilities need Replacement or Major Modernization due to current conditions to improve aspects of safety, functionality, and educational effectiveness. All K-12 facilities are eligible for OSPI school construction assistance due to the building age and condition. The newest K-12 facilities are 30 to 40 years old (minimum) while most facilities are in the 50-to-60-year range (or more), all without major modernization history. Our Team has prioritized educational facilities as top priority, with support facilities a close second. Since most facilities have significant needs, our Team remains challenged to leave any facility out of our initial recommendation. Building for growth has been considered but is not the top priority of our recommendation at this time

Presently there is one available site for expansion, the 57-acre “Old Clifton Site” (on the west side of Hwy 16). The sequence of rebuilding and modernizing District facilities may strategically utilize development of this site, for most effective sequencing of project construction and development. Our Team is interested in retaining the status of our District as a “One High School” District. We may, however, see growth in the future that will require a second High School due to increasing enrollment or other variables. This should be factored into long term plans for development of this and other sites. There also should be considerations for consolidation of facilities or reorganization of support and educational facilities at these following sites: EPO/Transportation and District Office, Orchard Heights/Discovery, and Cedar Heights.

IN SUMMARY, WE RECOMMEND A COMPREHENSIVE APPROACH TO REBUILD/MODERNIZE ALL SK SCHOOLS AND SUPPORT FACILITIES

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1. Overview

The South Kitsap School District Long Range Facility Planning Team was formed and commissioned by the South Kitsap School District January 2021. The SK LRFP Team is comprised of Citizens of South Kitsap School District:

Officers: Lee Fenton, Chair, Rick Prentice Vice Chair, Gerry Austin, Secretary.

Team Members: Susan Whitford, Jeremy Kallstrom, Jennifer Haro, Matt Murphy, Lance Yohe, Steve Bonwich.

The Mission of the South Kitsap School District Long Range Facility Planning Advisory Committee is to consider, develop and recommend priorities for the physical needs of the District; as well as considering and recommending Bond and Capital Levy Improvements. The Scope of our work is to be summarized within the following framework: 5 years, 10 years, 25 years, 50 years.

The Team has met consistently throughout 2021-2022 and has regularly reported to the School Board on our progress. We gathered and reviewed extensive data including: 1) Site visits (including discussions with Principal and School Staff at each facility), 2) District Personnel input (regarding educational vision and condition of facilities), 3) Financial Analysis information, 4) Future growth and enrollment projections, and 5) Third party facility and building systems evaluations. Our Team discussed, prioritized, and developed scenarios utilizing this data and information.

Several terms are used extensively throughout this document. We offer a simple guide below to clarify terms in our report:

SCAP:

The State of Washington's method for assisting eligible School Districts in their construction of schools. This term is commonly referred to as "State Match". This process is managed by OSPI (The Office of Superintendent of Public Instruction).

Modernization Construction:

This is a term utilized by the State to represent a level of remodel that is eligible for the "School Construction Assistance Program" or SCAP. Existing eligible facilities for modernization (or remodel) are those K-12 facilities that have not been addressed with capital improvements for a minimum length of 30 years' time. There are minimum levels of the magnitude of remodel to be eligible for Modernization SCAP.

New in Lieu of Modernization Construction:

An equivalency to Modernization SCAP is "New In Lieu of Modernization", which is basically replacement of a K-12 facility deemed appropriate for such measures (tearing down...or demolishing a facility... and rebuilding it in kind).

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New Construction:

Other eligible facilities for SCAP are those K-12 facilities to deal with growth, or “unhoused students”. This would be a facility that does not presently exist or is an addition of square footage to the District balance. This does not include portables, as these facilities are not counted as square footage in the District summary of facilities.

Capital Levy:

In simplistic terms, this is primarily a term utilized to represent a funding mechanism for District needs that represent immediate and short term means of collection. Capital Levies can be constructed for 1-6 years and are approved by a community vote that has the threshold of 50% for approval. The money is then collected on a yearly basis for upcoming expenditures.

Capital Bond:

In simplistic terms, this is primarily a term utilized to represent a funding mechanism for District needs that represent larger sums and longer term means of collection. Capital Bonds can be constructed for 20-30 years and are approved by a community vote that has the threshold of 60% for approval. The money is then funded quicker for larger allocation and expenditures such as major construction projects.

Hard Costs:

Costs of construction (plus applicable sales tax), which for school construction includes prevailing wage considerations, and public bidding and procurement.

Soft Costs:

Costs of Project Development, which for school construction includes all of the preliminary costs of a project; including project management, architectural and engineering design services, permitting, investigation, fees for development, furniture fixtures and equipment, legal and all consulting fees.

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2. Assessment of All South Kitsap Facilities

School Facilities:

Summary

7 of 16 Educational Facilities are in need of Replacement or Major Modernization. This level of District Wide need is continued evidence of a long gap in the cycle of District Bonds being approved. The last significant Bond that was approved dealt with expansion of the District by adding 3 new Elementary Schools in 1988. The District has failed 8 Bonds since. Most if not all those bonds considered adding a second High School to the District.

Replacement:

- Cedar Heights Middle School
- South Colby Elementary School
- Olalla Elementary School
- Orchard Heights Elementary School
- Discovery High School
- Explorer High School

Major Modernization/Additions/Replacement:

- South Kitsap High School

Medium Modernization:

- Burley Glenwood Elementary School
- Manchester Elementary School
- East Port Orchard Elementary School
- John Sedgwick Middle School
- Marcus Whitman Middle School

Minor Modernization:

- Sunnyslope Elementary School
- Hidden Creek Elementary School
- Mullenix Ridge Elementary School
- Sidney Glen Elementary School

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Support Facilities:

Summary

3 of 4 Support Facilities need Replacement. This level of District Wide need is representative of Support Facilities being utilized way past their intended useful Facility life. Also, the facilities being utilized as District Office and Food and Nutrition Services were not originally designed for their present use.

Replacement:

District Office
Transportation Facility
Food and Nutrition Services Facility

Minor Modernization:

Maintenance and Operations Facility

3. Consideration of New Facilities

School Facilities:

Summary

New Facility Scenario Considerations for expansion are not the top priority of our team at this point. Enrollment decline has our group still considering expansion facilities as a need, but more for the future, not the present. However, there was discussion about adding capacity to replace portables at many District Facilities. This may be implemented thru expansion of District wide capacity by building replacement projects slated larger than presently allocated for occupancy.

Another new facility rose to the top of our discussions, which would expand on CTE programs at the present South Kitsap High School, with an environmental/maritime or possibly aeronautical focus. This facility is termed South Kitsap HS Extension or “Pathways” Building. Our Team feels this facility could be a stand-alone addition to SKHS, potentially on a different nearby site. Students at this facility would be part of the SKHS enrollment. This facility may also be cojoined with Discovery and Explorer programs as they are slated for replacement.

School Facilities:

South Kitsap HS Extension (or “Pathways”) Building

Growth Elementary School

Alternative Build Facilities:

K-8 School

6-12 School

2nd High School

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4. South Kitsap Facility Improvement Priorities

Summary

School Facilities were identified (unanimously) as the Highest Priority. Support Facilities were identified as a secondary priority. The top priority projects are listed below, roughly in order of importance/priority. Approach to development of these priority projects is another important decision. An initial approach is laid out below.

School Facilities

1. Cedar Heights Replacement
2. South Colby Elementary School Replacement
3. Olalla Elementary School Replacement
4. South Kitsap High School Modernization/Expansion/Replacement. Including New Extension “Pathways” Facility
5. Explorer Academy and Discovery School Building Replacement
6. Orchard Heights Elementary School Replacement
7. District Wide HVAC Improvements
8. District Wide Site Circulation (Parking and Arrival) Improvements
9. District Wide Safety and Security Improvements
10. District Wide Technology Improvements

Support Facilities

11. District Office Replacement
12. Food and Nutrition Services Replacement
13. Transportation Building Replacement

Approach

The Team also discussed various approaches to moving forward. There was a slight preference to moving forward with a “Big First Step” vs a “Small First Step”, however no clear priority was determined, and our Team felt this discussion needs broader input from District Leadership and the School Board. It is the opinion of our Team that if such a “Big First Step” is considered, there may be required adjustments to EPO Levy sums presently being collected, or planned in the near future.

Our Team did feel quite strongly that time for discussion, Community input, and better definition and refinement of the projects would be a necessary step for success of such a large potential ask of our South Kitsap Community. This will include expert consulting for design development, cost estimating as well as marketing a plan within the Community.

5. Stage One Scenario: RECOMMENDED- Impact All Facilities (First 30 Years)

Summary

The Team feels that identifying all the sites throughout the District in the first wave of improvements would be an ideal approach. This leaves no project left behind. We feel that this will be costly for an overall bill but would be a preferable approach to not considering some projects initially (since it has been so long since improvements have been made). A “Big First Step” all-inclusive Bond should be delayed until 2023 at the earliest so that necessary due diligence planning, and feasibility steps can be taken.

Additionally, in the meantime (if it is critical to continue the levy tax base moving forward), the District could reinvest in the Capital Levy Model for 1 year as an extension of the existing Capital Levy, with a focus possibly on Technology, (specifically 1 to 1 device for each student). There may also be other considerations for a short term Levy ask in 2022 that have not been determined or explored by our Team at this point. This would time nicely with the Bond delay to 2023 and would give time for the District to adequately pre-plan the projects proposed in the Bond (as noted above in Priority of Approach).

****DISCLAIMER****

The following cost summaries utilize cost modeling derived from OSPI averages per APPENDIX 1. They are not accurate cost estimates and should not be relied upon for anticipated project development or construction costs. We have utilized this tool to wrap our arms around the broad magnitude of the proposed projects only.

1. **OPTION A: 1 Year Tech (or other) Levy Then Big Bond**
 - a. **One Year Capital Levy in November 2022 for \$5 Million:**
\$5 Million for Technology Improvements (or critical improvements?)
 - b. **Thirty Year Bond in Feb-Nov 2023 for \$447 Million, \$532 Mill Tot Project with State Match:**
\$81 Million for Cedar Heights Middle School Replacement at Old Clifton Site
+\$12-13 Million State Matching Funds: **\$93 Million**

\$45 Million for South Colby Elementary School Replacement at Existing Site
+\$4-5 Million State Matching Funds: **\$49 Million Total Project Cost**

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\$42 Million for Olalla Elem Sch Repl at Exist Site (Poss K-8, or combine w/ BG?)
+\$7 Million State Matching Funds: **\$49 Million Total Project Cost**

\$34 Million for Pathways/Discovery/Explorer/District Office Expansion and Replacement at Cedar Site (or EPO Site?)
+\$6-7 Million State Matching Funds: **\$40 Million Total Project Cost**

\$128 Million for Full Mod/Partial Add/Replacement of SKHS at Exist Site
+\$44-45 Million State Matching Funds: **\$172 Million Total Project Cost**

\$46 Million for Orchard Heights Elementary School Replacement at Exist Site
+\$12-13 Million State Matching Funds: **\$58 Million Total Project Cost**

\$27 Million for Transportation/Food Service Facility Replacement at Orchard Heights Site (or Cedar Site?)

\$44 Million for Miscellaneous upgrades (Primarily HVAC) at the following sites:

- Burley Glenwood Elementary School
- Manchester Elementary School
- East Port Orchard Elementary School
- Orchard Heights Elementary School
- Sidney Glen Elementary School
- Mullenix Ridge Elementary School
- Hidden Creek Elementary School
- Sunnyslope Elementary School
- John Sedgwick Middle School
- Marcus Whitman Middle School
- Other District Wide Improvements

METRICS:

1 Year Tech Levy (2023): \$.46/thousand

30 Year Capital Bond (2024-2049): \$1.70/thousand

6. Stage Two Scenarios (30-50 Years from Now)

Summary

The Team feels that planning for a future step 30 years out is almost impossible, due to so many factors that would affect such a plan. However, to complete the task given to us, we promote a secondary future step that would either:

- 1) address growth needs, or*
- 2) continue to address rebuilding.... or most likely some combination of both.*

****DISCLAIMER****

The following cost summaries utilize cost modeling derived from OSPI averages per APPENDIX 1. They are not accurate cost estimates and should not be relied upon for anticipated project development or construction costs. We have utilized this tool to wrap our arms around the broad magnitude of the proposed projects only.

OPTION A: Future Replacement Bond: GROWTH Option

Thirty Year Capital Bond in February 2050-2053 for \$670 Million:

- \$20 Million Property Purchase for Future/Now Expansion or Growth
- \$350 Million for New 2nd Comprehensive High School at Old Clifton (or Undetermined Site)
- \$100 Million for Growth Elementary at Old Clifton (or Undetermined Site)
- \$100 Million for Elementary Replacement at Burley Glenwood Site
- \$100 Million for Additional Modernization Improvement Projects District Wide

METRICS:

25 Year Capital Bond (2050-2075): \$???:thousand

OPTION B: Future Replacement Bond: REBUILD Option

Thirty Year Capital Bond in February 2050-2053 for \$780 Million:

- \$100 Million for Elementary Replacement at EPO Site
- \$100 Million for Elementary Replacement at Manchester Site
- \$100 Million for Elementary Replacement at Sunnyslope Site
- \$180 Million for Elementary Modernization at:
 - Hidden Creek Site
 - Mullenix Ridge Site
 - Sidney Glen Site

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\$200 Million for Middle School Modernization at:

John Sedgwick Site

Marcus Whitman Site

\$100 Million for Additional Modernization Improvement Projects District Wide

METRICS:

25 Year Capital Bond (2050-2075): \$??\$/thousand

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7. FINANCIAL MODEL of OPTIONS A-D

Summary

The following financial metrics are just a broad guesstimate of what the actual tax sum may be for the recommended and optional scenarios. None of them have been accurately calculated, they are just broad-brush attempts to give comparative long term views of potential tax implications. There also are suggested EPO adjustments that may not be the desire of the School District moving forward, but we feel as a Team are worthy of consideration to better balance the tax bill towards facilities in the future.

South Kitsap School District Levy and Bond Financing Model

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | | | |
|---|------|------|------|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Present Capital Levy Debt | 0.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EP and O (Assume 4 year cycles) | 2.37 | 2.37 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | | | |
| Present Rate | 2.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | ** If not, all scenarios increase by \$.62/year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1A. 1 yr Levy then Big Bond | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Year Tech Levy | Plan | 0.46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 Year Bond | Plan | Plan | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | | |
| Total Rate 1a | | 2.86 | 2.83 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 3.45 | 1.75 | 1.75 | 1.75 |
| 1B. 2 yr Levy then Med Big Bond | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 Year Levy | Plan | 1.23 | 1.23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 Year Bond | Plan | | | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | |
| Total Rate 1B | | 2.86 | 3.60 | 2.98 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | |
| 1C. Small Bond then 4 yr Levy then Med Bond | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 Year Bond | Plan | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | |
| 4 Year Levy | | | Plan | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | |
| 20 Year Bond | Plan | | | | | | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | |
| Total Rate 1C | | 2.86 | 2.91 | 2.29 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | 2.85 | |
| 1D. 2 yr Levy or Med Big Bond | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 Year Levy OR | Plan | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | |
| 30 Year Bond (Assume Bond) | Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Rate 1D | | 2.86 | 3.77 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | |
| 2. Future Bond Options | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 to 30 Year Bond | | | | | | | | | | | | | | | | | | | | | | | | | | | | Plan | ? | ? | ? | ? | ? | ? | ? | ? | ? | |
| Total Rate 2a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

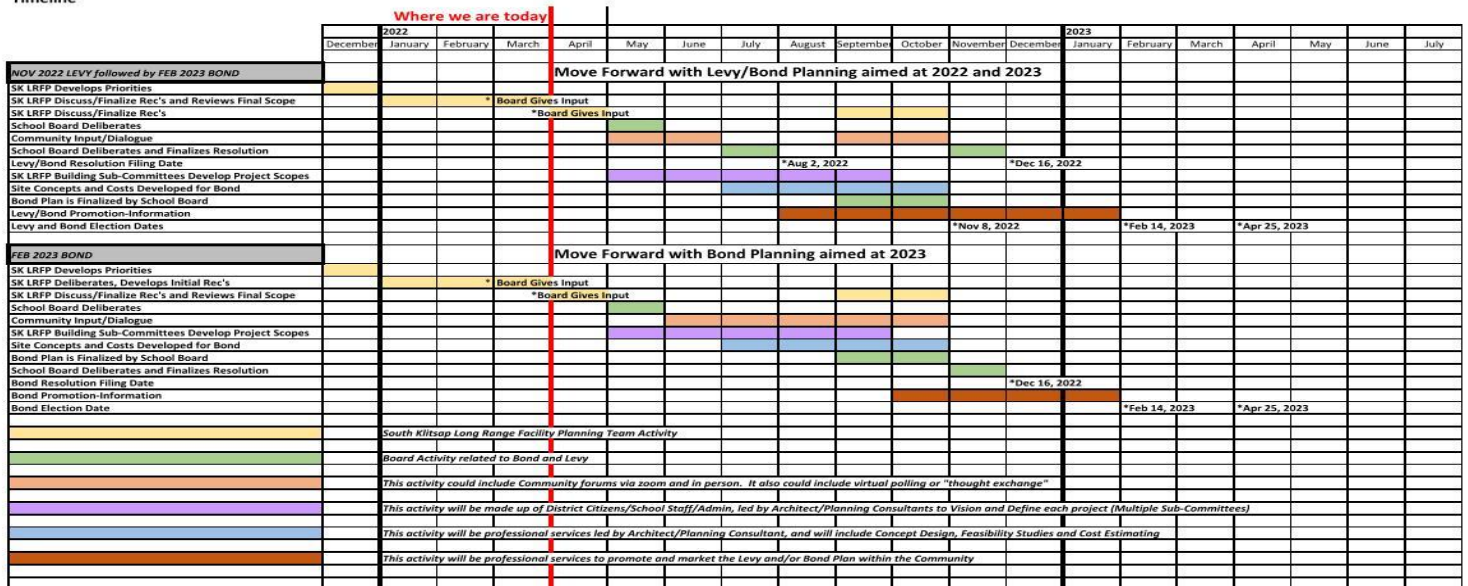
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8. TIMELINE for PRE-BOND DEVELOPMENT

Summary

The Team feels there is a very important sequence of necessary due-diligence steps prior to endeavoring in to such a potential large Bond in the Community. Included in this process would be a robust level of Community input and participation. Also, more detailed visioning and programming of educational spaces and needs for each facility would need to occur. Likely, a group of planning professionals should be brought on board to assist the School District in advancing the models we are proposing. There also would be necessary concept development, feasibility studies, and cost estimating to assure the Community of the intended scope and costs ahead. Once this is done, the important step of public outreach and marketing such a large plan would be vital to success, in our opinion. Below is a simple diagram of these potential steps in a timeline leading up to the Levy and Bond timeframe windows.

SK LRFP Advisory Team
 Timeline



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APPENDIX 1

Average Cost of School Construction in Washington State from OSPI

New Construction (2021 State Avg costs vary between \$418-\$472/SF)

\$450/SF Hard Costs assumption (Construction)

40% Soft Costs (Project Development)

\$630/SF

Modernization (2021 State Avg costs vary between \$267-\$472/SF)

\$370/SF Hard Costs assumption (Construction)

40% Soft Costs (Project Development)

\$518/SF

2022 SKSD State Funding Allowance: $\$247/\text{sf} \times 57.11\% \times 1.12 = \mathbf{\$158/SF}$

$158/630 = \mathbf{25\%}$

$158/518 = \mathbf{30\%}$

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Statewide Average Square Foot Cost for Construction at Time of Bid

Design-Bid-Build Projects:

Square foot costs are based on the awarded contract amount for construction at time of bid and do not reflect final construction cost.

GC/CM – General Contractor/Construction Manager Projects:

Included is both the average square foot cost for construction at time of MACC negotiation and at final negotiated Guaranteed Maximum Price and may not reflect final construction cost.

All Projects:

Square foot costs represent state recognized cost of construction. The costs do not include construction costs for off-site work, hazardous waste abatement/asbestos removal (unless part of an eligible modernization project) and demolition of existing building. Square foot costs, at the time of bid, reflect only "hard costs" (brick and mortar) and any reported site costs.

Not included in square foot costs are soft costs like furnishings, equipment, design fees, sales tax in excess of 7.0% allowance, permit fees, and any contingencies.

Note: All square foot costs in the tables below include 7.0% sales tax.

**SUMMARY OF SQUARE FOOT COST FOR CONSTRUCTION
 PROJECTS BID 2015-2021**

| YEARS | <i>New Construction</i> | | <i>Modernization</i> | | <i>Includes both</i> | | <i>New & Modernization</i> | | <i>Projects</i> |
|---------|-------------------------|----------|-------------------------|----------|----------------------|-----------------|--------------------------------|--|-----------------|
| | <u>DESIGN-BID-BUILD</u> | | <u>DESIGN-BID-BUILD</u> | | <u>GCCM/MACC</u> | | <u>GCCM/GMP</u> | | |
| | AVERAGE SQ. FT. | NO. OF | AVERAGE SQ. FT. | NO. OF | AVERAGE SQ. FT. | AVERAGE SQ. FT. | NO. OF | | |
| | COST BASED ON | PROJECTS | COST BASED ON | PROJECTS | COST BASED | COST BASED | NO. OF | | |
| | CONTRACT AWARD | PROJECTS | CONTRACT AWARD | PROJECTS | ON MACC | ON GMP/GCC/TCC | PROJECTS | | |
| 2015-16 | \$304.91 | 15 | \$242.44 | 9 | \$327.41 | \$351.93 | 11 | | |
| 2016-17 | \$325.04 | 24 | \$190.08 | 10 | \$303.93 | \$338.49 | 13 | | |
| 2017-18 | \$373.01 | 27 | \$249.21 | 19 | \$382.83 | \$425.84 | 6 | | |
| 2018-19 | \$387.61 | 25 | \$274.96 | 9 | \$397.09 | \$446.27 | 29 | | |
| 2019-20 | \$375.90 | 23 | \$203.64 | 7 | \$412.11 | \$469.74 | 20 | | |
| 2020-21 | \$418.28 | 17 | \$267.79 | 15 | \$472.29 | \$521.89 | 13 | | |

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

APPENDIX 2

Project Cost Models for 2023 Bond

Urgent HVAC/Site/Building Improvements at:

| | |
|-------------------------------------|--------------|
| Burley Glenwood Elementary School | \$1,600,000 |
| Manchester Elementary School | \$1,200,000 |
| East Port Orchard Elementary School | \$ 900,000 |
| Orchard Heights Elementary School | \$3,000,000 |
| Sidney Glen Elementary School | \$ 600,000 |
| Mullenix Ridge Elementary School | \$ 500,000 |
| Hidden Creek Elementary School | \$ 500,000 |
| Sunnyslope Elementary School | \$ 800,000 |
| John Sedgwick Middle School | \$3,100,000 |
| Marcus Whitman Middle School | \$3,100,000 |
| Other District Wide Improvements | \$10,000,000 |

| | |
|------------------|--------------|
| Subtotal | \$25,300,000 |
| Soft Costs x .40 | \$10,120,000 |

\$35,420,000

| | | | |
|--------------|------------|-------|---------------------|
| 2022 | Escalation | x1.05 | |
| 2023 | Escalation | x1.05 | |
| 2024 | Escalation | x1.05 | |
| 2025 | Escalation | x1.05 | \$43,053,231 |
| Total | | | \$44,000,000 |

Cedar Heights Middle School Replacement (Assume 125,000 SF)

| | |
|----------------------|---|
| Total Area: | \$630/SF x 125,000 SF = \$78,750,000 |
| Less Matchable Area: | -\$158/SF x 80,000 SF = \$12,640,000 |
| Subtotal | \$66,110,000 |

| | | | |
|--------------|------------|-------|---------------------|
| 2022 | Escalation | x1.05 | |
| 2023 | Escalation | x1.05 | |
| 2024 | Escalation | x1.05 | |
| 2025 | Escalation | x1.05 | \$80,357,118 |
| Total | | | \$81,000,000 |

South Colby Elementary School Replacement (Assume 65,000 SF)

| | |
|----------------------|--|
| Total Area: | \$630/SF x 65,000 SF = \$40,950,000 |
| Less Matchable Area: | -\$158/SF x 30,000 SF = \$4,740,000 |
| Subtotal | \$36,210,000 |

| | | | |
|------|------------|-------|--|
| 2022 | Escalation | x1.05 | |
|------|------------|-------|--|

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

| | | | |
|--------------|------------|-------|---------------------|
| 2023 | Escalation | x1.05 | |
| 2024 | Escalation | x1.05 | |
| 2025 | Escalation | x1.05 | \$44,013,481 |
| Total | | | \$45,000,000 |

Olalla Elementary School Replacement (Assume 65,000 SF)

| | |
|----------------------|--|
| Total Area: | \$630/SF x 65,000 SF = \$40,950,000 |
| Less Matchable Area: | -\$158/SF x 44,000 SF = \$6,952,000 |
| Subtotal | \$33,998,000 |

| | | | |
|--------------|------------|-------|---------------------|
| 2022 | Escalation | x1.05 | |
| 2023 | Escalation | x1.05 | |
| 2024 | Escalation | x1.05 | |
| 2025 | Escalation | x1.05 | \$41,324,782 |
| Total | | | \$42,000,000 |

New Pathways HS incl Discovery and Explorer, with Dist Office (Assume 55,000 SF)

Pathways HS 25,000 SF
Discovery HS: 12,000 SF
Explorer Academy: 8,000 SF
District Office: 10,000 SF

| | |
|-------------------------------|--|
| Total Non-Matchable New Area: | \$630/SF x 10,000 SF = \$6,300,000 |
| Total Matchable New Area: | \$630/SF x 45,000 SF = \$28,350,000 |
| Less Matchable Area: | -\$158/SF x 45,000 SF = \$7,110,000 |
| Subtotal | \$27,540,000 |

| | | | |
|--------------|------------|-------|---------------------|
| 2022 | Escalation | x1.05 | |
| 2023 | Escalation | x1.05 | |
| 2024 | Escalation | x1.05 | |
| 2025 | Escalation | x1.05 | \$33,475,042 |
| Total | | | \$34,000,000 |

South Kitsap High School Addition/Modernization/Replacement (Assume 280,000 SF)

| | |
|-------------------------|--|
| Total Area MOD: | \$518/SF x 245,000 SF = \$126,910,000 |
| Total Area ADD/REPLACE: | \$630/SF x 35,000 SF = \$22,050,000 |
| Less Matchable Area: | -\$158/SF x 280,000 SF = \$44,240,000 |
| Subtotal | \$104,720,000 |

| | | | |
|--------------|------------|-------|----------------------|
| 2022 | Escalation | x1.05 | |
| 2023 | Escalation | x1.05 | |
| 2024 | Escalation | x1.05 | |
| 2025 | Escalation | x1.05 | \$127,287,814 |
| Total | | | \$128,000,000 |

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Orchard Heights Elementary School Replacement (Assume 80,000 SF)

| | | | | |
|----------------------|------------|----------|-------|--|
| Total Area: | | | | $\$630/\text{SF} \times 80,000 \text{ SF} = \$50,400,000$ |
| Less Matchable Area: | | | | $-(\$158/\text{SF} \times 80,000 \text{ SF} = \$12,640,000)$ |
| | | Subtotal | | \$37,760,000 |
| 2022 | Escalation | | x1.05 | |
| 2023 | Escalation | | x1.05 | |
| 2024 | Escalation | | x1.05 | |
| 2025 | Escalation | | x1.05 | \$45,897,516 |
| Total | | | | \$46,000,000 |

Transportation/Food Service Facility (Assume 35,000 SF)

| | | | | |
|--------------|------------|----------|-------|---|
| Total Area: | | | | $\$630/\text{SF} \times 35,000 \text{ SF} = \$22,050,000$ |
| | | Subtotal | | \$22,050,000 |
| 2022 | Escalation | | x1.05 | |
| 2023 | Escalation | | x1.05 | |
| 2024 | Escalation | | x1.05 | |
| 2025 | Escalation | | x1.05 | \$26,801,912 |
| Total | | | | \$27,000,000 |

***For Scenario A, Escalation assumes approval of next Levy in Nov 2022, and Bond in 2023.**

***For Alternative Scenario Options, additional escalation applied at 5% per year.**

***For Future Bonds in 2050-2053, the escalation factor is 4%/year compounded.**

***Bond/Levy Rates are guesses/estimates based on past presentations from:**

Jennifer Farmer, SKSD Asst Supt, on current Levy Rates and planning calcs
(See Appendix 3)

Trevor Carlson, Piper Sandler, on 2021 20 year Bond Rates calcs.
(See Appendix 4)

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

APPENDIX 3

ALTERNATIVE Scenarios- OTHER CONSIDERATIONS: (First 30 Years)

OPTION B: 2 yr Levy then Med-Big Bond

a. Two Year Capital Levy in November 2022 for \$27 Million:

\$4 Million for Technology Improvements
\$23 Million for Urgent HVAC/Site/Building Improvements at:
Burley Glenwood Elementary School
Manchester Elementary School
East Port Orchard Elementary School
Orchard Heights Elementary School
Sidney Glen Elementary School
Mullenix Ridge Elementary School
Hidden Creek Elementary School
Sunnyslope Elementary School
John Sedgwick Middle School
Marcus Whitman Middle School

b. Twenty Five Year Capital Bond in February 2025 for \$360 Million:

\$93 Million for Cedar Heights Middle School Replacement at Old Clifton Site
\$53 Million for South Colby Elementary School Replacement at Existing Site
\$50 Million for Olalla Elementary School Replacement at Existing Site (Poss K-8)
\$138 Million for Full Modernization/Addition/Replacement of South Kitsap High School at Existing Site
\$26 Million for Pathways Expansion (Incl Discovery and Explorer) of South Kitsap High School at Cedar Site

METRICS:

2 Year Levy (2023-2024): \$1.23/thousand
25 year Capital Bond (2025-2050): \$1.40/thousand

OPTION C: Small Bond, then 4 yr Levy, then Medium Bond

a. Twenty Year Capital Bond in November 2022 for \$127 Million:

\$81 Million for Cedar Heights Middle School Replacement
\$46 Million for South Colby Elementary School Replacement

b. Four Year Capital Levy in February 2025 for \$40 Million:

\$5 Million for Technology Improvements

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

\$35 Million for Urgent HVAC/Site/Building Improvements at:
Burley Glenwood Elementary School
Manchester Elementary School
East Port Orchard Elementary School
Orchard Heights Elementary School
Sidney Glen Elementary School
Mullenix Ridge Elementary School
Hidden Creek Elementary School
Sunnyslope Elementary School
John Sedgwick Middle School
Marcus Whitman Middle School

c. Twenty Year Capital Bond in February 2029 for \$248 Million

\$58 Million for Olalla Elementary School Replacement at Existing Site (Poss K-8)
\$160 Million for Full Modernization/Addition/Replacement of South Kitsap High School at Existing Site
\$30 Million for Pathways Expansion of South Kitsap High School at Cedar Site

METRICS:

20 Year Capital Bond (2023-2043): \$.54/thousand
4 Year Capital Levy (2025-2028): \$1.10/thousand
20 Year Capital Bond (2029-2049): \$1.10/thousand

OPTION D: 2 yr Levy OR Med-Big Bond

a. Two Year Capital Levy in November 2022 for \$27 Million:

\$4 Million for Technology Improvements
\$23 Million for Urgent HVAC/Site/Building Improvements at:
Burley Glenwood Elementary School
Manchester Elementary School
East Port Orchard Elementary School
Orchard Heights Elementary School
Sidney Glen Elementary School
Mullenix Ridge Elementary School
Hidden Creek Elementary School
Sunnyslope Elementary School
John Sedgwick Middle School
Marcus Whitman Middle School

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

b. Thirty Year Capital Bond in November 2022 for \$338 Million:

\$4 Million for Technology Improvements

\$23 Million for Urgent HVAC/Site/Building Improvements at:

- Burley Glenwood Elementary School
- Manchester Elementary School
- East Port Orchard Elementary School
- Orchard Heights Elementary School
- Sidney Glen Elementary School
- Mullenix Ridge Elementary School
- Hidden Creek Elementary School
- Sunnyslope Elementary School
- John Sedgwick Middle School
- Marcus Whitman Middle School

\$81 Million for Cedar Heights Middle School Replacement at Old Clifton Site

\$46 Million for South Colby Elementary School Replacement at Existing Site

\$43 Million for Olalla Elementary School Replacement at Existing Site (Poss K-8)

\$119 Million for Full Modernization/Addition/Replacement of South Kitsap High School at Existing Site

\$22 Million for Pathways/Discovery/Explorer Expansion of South Kitsap High School at Cedar Site

METRICS:

2 Year Levy (2023-2024): \$1.23/thousand

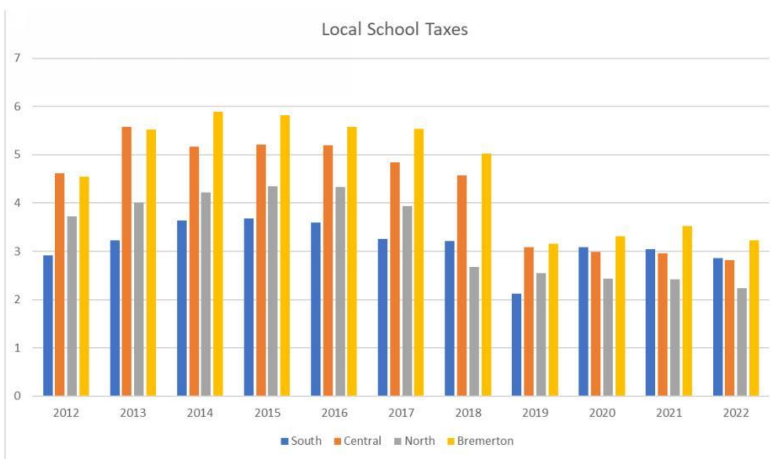
30 Year Capital Bond (2025-2050): \$1.30/thousand

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

APPENDIX 4

Tax Information



South Kitsap 2022
Local Tax Collection:

Educational
Programs &
Operations Levy:
\$2.37

Capital Levy: \$.49

Total Rate: \$2.86

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

APPENDIX 5

PIPER | SANDLER

May 27, 2021



**South Kitsap School
District No. 402
Bond Issue Planning**

Trevor L. Carlson
MANAGING DIRECTOR
Tel: +1 206-628-2890
Email: trevor.carlson@psc.com

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April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

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South Kitsap School District
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- Restructuring & Special Situations
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April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Industry-Leading Public Finance Franchise

National Platform, Regional Expertise

PIPER SANDLER CONSISTENTLY RANKS AMONG THE NATION'S LEADING UNDERWRITERS.

IN 2020, WE RANKED NO. 3 AND NO. 7 BY NUMBER OF SENIOR MANAGED ISSUES AND PAR AMOUNT, RESPECTIVELY.

Supported by a broad national platform, our expert teams leverage localized knowledge to facilitate the issuance of taxable and tax-exempt debt across a range of sectors:

- State & Local Government
- Healthcare
- Charter Schools
- Higher Education
- K-12 Education
- Housing
- Senior Living
- Transportation
- Non-profits
- Hospitality
- Project Finance

Our services include:

- Municipal bond underwriting
- Municipal derivatives and reinvestment products
- Financial advisory
- Private placements



Source: Thomson Reuters, Negotiated and Private Placement, Long-Term Transactions

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Election Dates

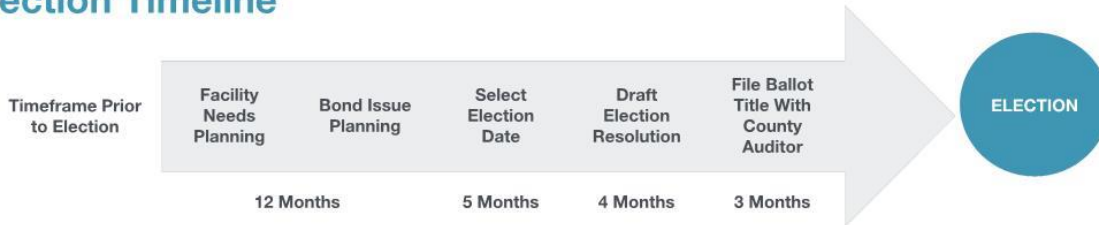
| 2021-2022-2023 Election and Resolution Filing Dates, Under Current Law | | | |
|--|------------------------|--|--------------------|
| Election Date | Resolution Filing Date | Approximate Ballot Mailing Date ⁽¹⁾ | Certification Date |
| April 27, 2021 | February 26, 2021 | April 9, 2021 | May 7, 2021 |
| August 3, 2021 | May 14, 2021 | July 16, 2021 | August 17, 2021 |
| November 2, 2021 | August 3, 2021 | October 15, 2021 | November 23, 2021 |
| February 8, 2022 ⁽²⁾ | December 10, 2021 | January 21, 2022 | February 18, 2022 |
| April 26, 2022 ⁽²⁾ | February 25, 2022 | April 8, 2022 | May 6, 2022 |
| August 2, 2022 ⁽²⁾ | May 13, 2022 | July 15, 2022 | August 16, 2022 |
| November 8, 2022 ⁽²⁾ | August 2, 2022 | October 21, 2022 | November 29, 2022 |
| February 14, 2023 ⁽²⁾ | December 16, 2022 | January 27, 2023 | February 24, 2023 |
| April 25, 2023 ⁽²⁾ | February 24, 2023 | April 7, 2023 | May 5, 2023 |
| August 1, 2023 ⁽²⁾ | May 12, 2023 | July 14, 2023 | August 15, 2023 |
| November 7, 2023 ⁽²⁾ | August 1, 2023 | October 20, 2023 | November 28, 2023 |

⁽¹⁾ Ballots are required to be mailed no later than 18 days prior to the election date.

⁽²⁾ Projected dates as of December 2020 and subject to change by legislation.

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Election Timeline



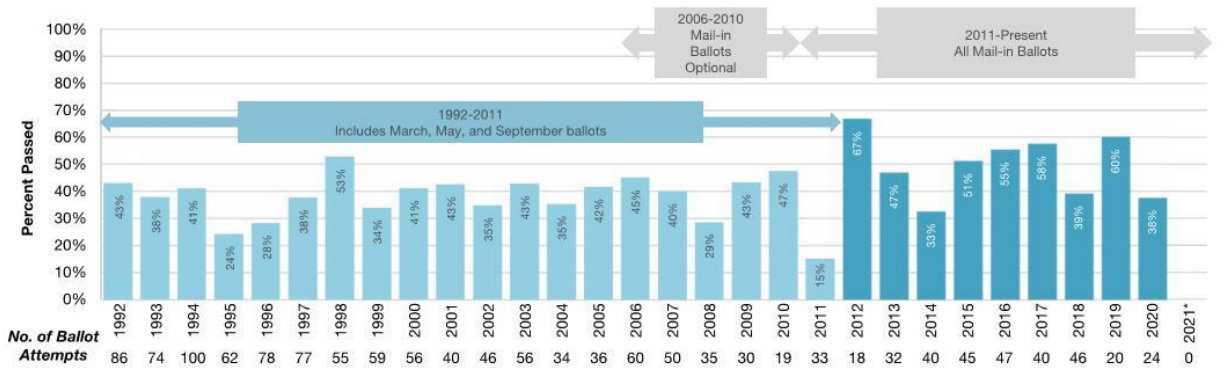
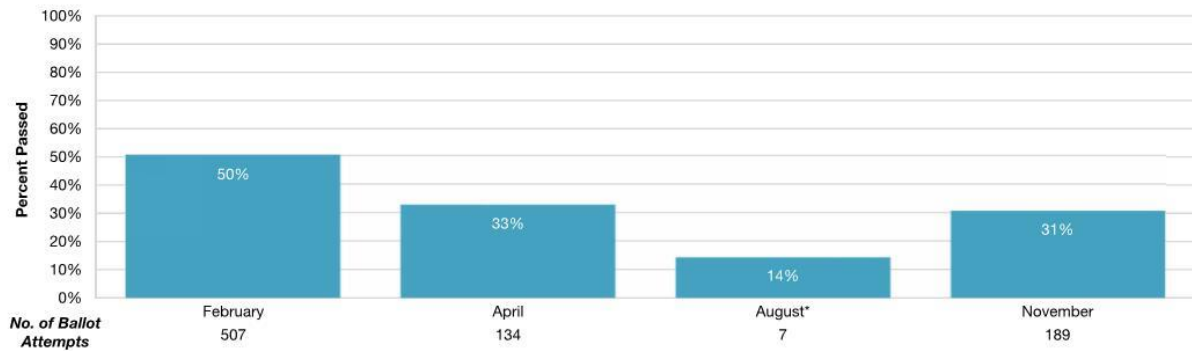
Calendar Year 2021 Planning Benchmarks for February 8, 2022 Bond Election

| | |
|---------------------|---|
| February - July: | Facility Committee analysis of projects and community research. |
| July - August: | Facility Committee finalizes scope of projects, determines local share cost (i.e., maximum principal amount of bonds) and projected financing plan for bond sales and tax levy rates. |
| August - September: | Upon recommendation of Facilities Committee, the Board finalizes the scope of the project, local share and financing plan, and directs preparation of bond election resolution. |
| October - November: | Board considers and adopts bond election resolution. Board reviews bond explanatory statement for inclusion in local voters' pamphlet. Board appoints pro/con committee members after adoption of bond election resolution. |
| December 10, 2021: | Bond election resolution filing deadline with the County Auditor. Bond explanatory statement and pro/con appointments to be filed with the Auditor by this same date. |
| December 10 - __: | Within one (1) day of receipt, District administration and bond counsel review draft ballot (and notice of special election) as prepared by Auditor. Challenge allowed within ten (10) days of receipt. |
| January 21, 2022: | Ballots mailed to voters. |
| February 8, 2022: | ELECTION. |
| February 18, 2022: | Election results certified. |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
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Washington State K-12 Bond Election Results

Historically, spring elections have been the most favorable for school bonds.



*August elections began in 2007.

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

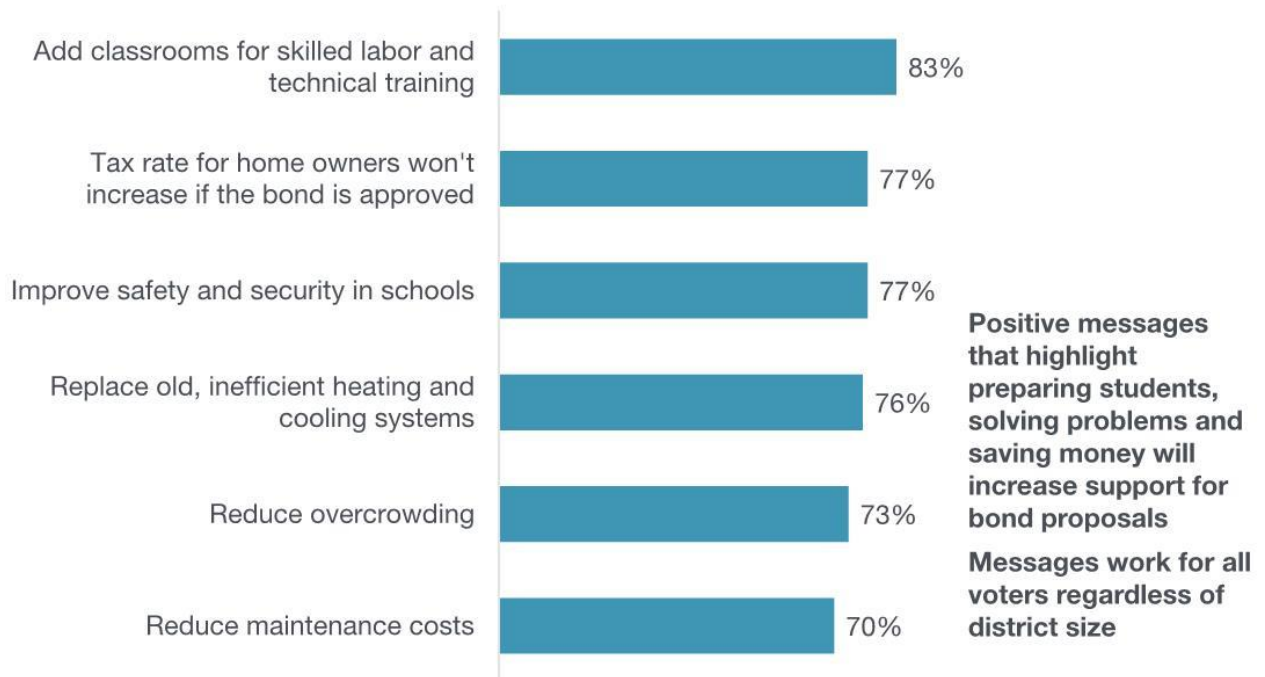
2020 Washington School Bond Election Results

| DATE | COUNTY | ISSUER | PAR AMOUNT | YES | RESULT |
|--------|--------------|--|---------------|--------|--------|
| Aug-20 | Clark | Ridgefield School District No. 122 | \$40,465,000 | 50.51% | Failed |
| Aug-20 | Ferry | Republic School District No. 309 | \$4,500,000 | 56.80% | Failed |
| Aug-20 | Snohomish | Everett School District No. 2 | \$317,400,000 | 58.78% | Failed |
| Feb-20 | Chelan | Entiat School District No. 127 | \$6,000,000 | 61.00% | Passed |
| Feb-20 | Clark | Ridgefield School District No. 122 | \$107,000,000 | 59.19% | Failed |
| Feb-20 | Cowlitz | Castle Rock School District No. 401 | \$34,700,000 | 51.42% | Failed |
| Feb-20 | Grays Harbor | Aberdeen School District No. 5 | \$46,800,000 | 59.99% | Failed |
| Feb-20 | Grays Harbor | Elma School District No. 068-137 | \$5,560,000 | 56.42% | Failed |
| Feb-20 | Grays Harbor | Oakville School District No. 400 | \$5,600,000 | 65.92% | Passed |
| Feb-20 | King | Bellevue School District No. 405 | \$675,000,000 | 64.09% | Passed |
| Feb-20 | King | Riverview School District No. 407 | \$125,000,000 | 53.03% | Failed |
| Feb-20 | Kittitas | Kittitas School District No. 403 | \$13,200,000 | 62.95% | Passed |
| Feb-20 | Pierce | Eatonville School District No. 404 | \$4,000,000 | 45.78% | Failed |
| Feb-20 | Pierce | Sumner-Bonney Lake School District No. 320 | \$205,000,000 | 46.35% | Failed |
| Feb-20 | Pierce | Tacoma School District No. 10 | \$535,000,000 | 68.57% | Passed |
| Feb-20 | Skagit | Burlington-Edison School District No. 100 | \$89,000,000 | 48.54% | Failed |
| Feb-20 | Snohomish | Arlington School District No. 16 | \$71,500,000 | 52.72% | Failed |
| Feb-20 | Snohomish | Edmonds School District No. 15 | \$600,000,000 | 56.33% | Failed |
| Feb-20 | Snohomish | Mukilteo School District No. 6 | \$240,000,000 | 60.34% | Passed |
| Feb-20 | Snohomish | Snohomish School District No. 201 | \$470,000,000 | 46.69% | Failed |
| Feb-20 | Thurston | North Thurston School District No. 3 | \$275,200,000 | 61.29% | Passed |
| Feb-20 | Thurston | Rochester School District No. 401 | \$57,490,000 | 56.38% | Failed |
| Feb-20 | Wahkiakum | Wahkiakum School District No. 200 | \$28,750,000 | 34.49% | Failed |
| Feb-20 | Whitman | Pullman School District No. 267 | \$15,000,000 | 78.26% | Passed |

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

More Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:

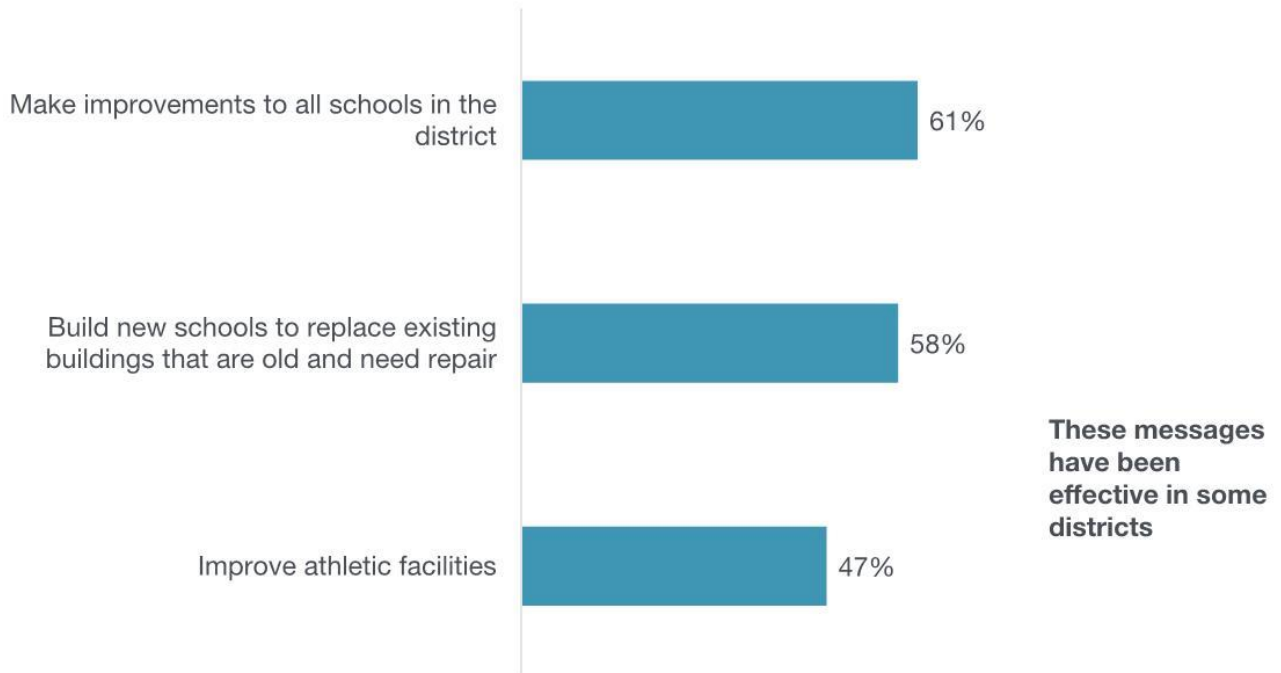


Source: CFM Strategic Communications, 2019 Washington Education Study

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Less Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



Source: CFM Strategic Communications, 2019 Washington Education Study

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

South Kitsap School District's Election Results

| Historical Bond Elections | | | |
|---------------------------|---------------|--------|--------|
| Date | Par Amount | % Yes | Result |
| Nov-18 | \$184,680,000 | 55.86% | FAILED |
| Feb-17 | \$172,621,300 | 51.93% | FAILED |
| Apr-16 | \$126,992,867 | 59.39% | FAILED |
| Feb-16 | \$126,992,867 | 59.92% | FAILED |
| Mar-07 | \$163,200,000 | 52.76% | FAILED |
| May-96 | \$63,780,000 | 37.07% | FAILED |
| May-96 | \$33,150,000 | 30.76% | FAILED |
| Feb-93 | \$59,619,000 | 51.20% | FAILED |
| Feb-88 | \$11,985,000 | 67.31% | PASSED |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

South Kitsap School District's Election Results

| Historical EP&O Levy Elections | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------|--------|
| Date | 1st Year | 2nd Year | 3rd Year | 4th Year | % Yes | Result |
| Feb-21 | \$27,880,220 | \$30,386,678 | \$33,118,717 | \$36,096,640 | 51.38% | PASSED |
| Feb-17 | \$24,300,846 | \$24,650,304 | \$25,020,059 | \$25,520,460 | 56.67% | PASSED |
| Feb-13 | \$22,000,000 | \$22,500,000 | \$22,650,000 | \$22,650,000 | 57.37% | PASSED |
| Feb-09 | \$16,392,000 | \$16,882,000 | \$17,746,000 | \$19,400,000 | 57.66% | PASSED |
| Feb-05 | \$12,574,711 | \$13,104,743 | \$13,691,098 | \$14,302,084 | 62.13% | PASSED |
| Feb-01 | \$10,945,000 | \$11,315,000 | \$11,700,000 | \$12,075,000 | 65.53% | PASSED |
| Apr-00 | \$10,710,000 | \$11,140,000 | \$11,584,000 | \$12,040,000 | 56.71% | FAILED |
| Feb-00 | \$10,710,000 | \$11,140,000 | \$11,584,000 | \$12,040,000 | 53.84% | FAILED |
| Apr-98 | \$9,765,000 | \$10,200,000 | -- | -- | 61.51% | PASSED |
| Feb-98 | \$9,765,000 | \$10,200,000 | \$10,580,000 | \$11,000,000 | 55.31% | FAILED |
| Apr-97 | \$7,890,000 | \$8,370,000 | -- | -- | 57.83% | FAILED |
| Feb-97 | \$7,890,000 | \$8,370,000 | -- | -- | 51.19% | FAILED |
| Feb-95 | \$8,462,000 | \$8,885,000 | -- | -- | 55.51% | FAILED |
| May-94 | \$6,667,000 | \$7,200,360 | -- | -- | 56.08% | FAILED |
| Feb-94 | \$7,196,000 | \$7,772,000 | -- | -- | 54.41% | FAILED |
| Feb-92 | \$6,173,000 | \$6,667,000 | -- | -- | 67.80% | PASSED |
| Feb-88 | \$2,816,885 | \$2,877,265 | -- | -- | 68.80% | PASSED |

| Historical Capital Projects Levy Elections | | | | | | | | |
|--|-------------|-------------|-------------|-------------|----------|----------|--------|--------|
| Date | 1st Year | 2nd Year | 3rd Year | 4th Year | 5th Year | 6th Year | % Yes | Result |
| Nov-18 | \$5,263,571 | \$5,368,843 | \$5,476,220 | \$5,585,744 | -- | -- | 57.05% | PASSED |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Tax Rate History

| Historical Levy Rates | | | | | | |
|-----------------------|-----------|-----------------------|-----------------|-----------------------------|-----------|---------|
| Year | Bond Levy | Capital Projects Levy | Technology Levy | Transportation Vehicle Levy | EP&O Levy | Total |
| 2001 | \$ 0.63 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 0.63 |
| 2002 | 0.56 | -- | -- | -- | 3.23 | 3.79 |
| 2003 | 0.31 | -- | -- | -- | 3.22 | 3.52 |
| 2004 | -- | -- | -- | -- | 3.16 | 3.16 |
| 2005 | -- | -- | -- | -- | 2.81 | 2.81 |
| 2006 | -- | -- | -- | -- | 2.50 | 2.50 |
| 2007 | -- | -- | -- | -- | 2.10 | 2.10 |
| 2008 | -- | -- | -- | -- | 1.90 | 1.90 |
| 2009 | -- | -- | -- | -- | 2.01 | 2.01 |
| 2010 | -- | -- | -- | -- | 2.50 | 2.50 |
| 2011 | -- | -- | -- | -- | 2.65 | 2.65 |
| 2012 | -- | -- | -- | -- | 2.91 | 2.91 |
| 2013 | -- | -- | -- | -- | 3.22 | 3.22 |
| 2014 | -- | -- | -- | -- | 3.64 | 3.64 |
| 2015 | -- | -- | -- | -- | 3.69 | 3.69 |
| 2016 | -- | -- | -- | -- | 3.59 | 3.59 |
| 2017 | -- | -- | -- | -- | 3.25 | 3.25 |
| 2018 | -- | -- | -- | -- | 3.21 | 3.21 |
| 2019 | -- | 0.62 | -- | -- | 1.50 | 2.12 |
| 2020 | -- | 0.59 | -- | -- | 2.50 | 3.09 |
| 2021 | -- | 0.54 | -- | -- | 2.50 | 3.04 |

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Comparable Tax Rates

| Kitsap and Mason County School Districts 2021 Total Tax Rates | | | | | | |
|--|-----------------------|----------|-------------|------------------|----------|-------------|
| District | Assessed Value | Bonds | EP&O | Capital Projects | Trans. | Total |
| Shelton SD No. 309 | \$ 2,369,314,046 | \$ 2.59 | \$ 2.34 | \$ - | \$ - | \$ 4.92 |
| Southside SD No. 42 | 271,447,722 | 1.11 | 2.20 | 0.42 | - | 3.72 |
| Bremerton SD No. 100 | 5,393,165,954 | - | 2.37 | 1.15 | - | 3.52 |
| South Kitsap SD No. 402 | 10,150,599,965 | - | 2.50 | 0.54 | - | 3.04 |
| Central Kitsap SD No. 401 | 10,008,957,915 | 1.46 | 1.50 | - | - | 2.96 |
| Pioneer SD No. 402 | 1,789,458,264 | 0.83 | 1.48 | 0.61 | - | 2.92 |
| Bainbridge SD No. 303 | 9,516,539,300 | 1.09 | 1.03 | 0.49 | - | 2.62 |
| Hood Canal SD No. 404 | 1,335,917,239 | 0.61 | 0.90 | 0.96 | - | 2.47 |
| North Kitsap SD No. 400 | 9,414,231,315 | - | 1.34 | 1.09 | - | 2.42 |
| Mary M. Knight SD No. 079/311 | 250,475,832 | - | 2.36 | - | - | 2.36 |
| Grapeview SD No. 54 | 952,779,548 | 0.97 | 0.73 | - | - | 1.71 |
| North Mason SD No. 403 | 2,721,127,464 | 1.08 | - | - | - | 1.08 |

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Comparable Tax Rates

| Washington School Districts 2021 - With Similar Assessed Values | | | | | | |
|--|-----------------------|----------|-------------|---------------------|----------|-------------|
| District | Assessed Value | Bonds | EP&O | Capital Projects | Trans. | Total |
| Sumner Bonney Lake SD No. 320 | \$ 10,453,915,332 | \$ 2.35 | \$ 2.40 | \$ 0.56 | \$ - | \$ 5.31 |
| Olympia SD No. 111 | 10,636,012,078 | 1.64 | 2.41 | 0.87 | - | 4.92 |
| Richland SD No. 400 | 9,973,947,997 | 2.00 | 2.46 | 0.41 | - | 4.87 |
| Snohomish SD No. 201 | 11,210,383,613 | 2.62 | 1.51 | 0.51 | - | 4.64 |
| Snoqualmie Valley SD No. 410 | 10,335,067,809 | 2.35 | 1.54 | 0.46 | - | 4.36 |
| Marysville SD No. 25 | 10,114,002,863 | 0.90 | 2.50 | 0.61 | - | 4.01 |
| Central Valley SD No. 356 | 11,184,005,719 | 1.49 | 2.48 | - | - | 3.97 |
| Kennewick SD No. 17 | 9,948,260,395 | 1.63 | 1.66 | 0.40 | - | 3.70 |
| South Kitsap SD No. 402 | 10,150,599,965 | - | 2.50 | 0.54 | - | 3.04 |
| Central Kitsap SD No. 401 | 10,008,957,915 | 1.46 | 1.50 | - | - | 2.96 |
| Bainbridge SD No. 303 | 9,516,539,300 | 1.09 | 1.03 | 0.49 | - | 2.62 |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Overview of Bonds and Capital Projects Levies

Bonds are the primary method used by Washington school districts to finance the “local share” of major capital projects because:

- Cash is generated up front
- Payments can be spread over time
- Districts have some control over taxpayer impacts

Voter-Approved Unlimited Tax General Obligation (UTGO) Bonds

- New revenue created
- Repaid with property taxes
- Approved with a 60% yes vote, 40% validation
- 5% debt capacity
- 40-year maximum term (match useful life of asset)
- May only be submitted to voters twice in a calendar year

| | |
|----------------------------------|------------------|
| 2021 Bond Assessed Value | \$10,150,599,965 |
| Statutory Capacity Rate | 5.000% |
| Total Statutory Capacity | \$507,529,998 |
| Less: Outstanding Voted Debt | (\$0) |
| Less: Outstanding Non-Voted Debt | (\$974,794) |
| Remaining Capacity | \$506,555,204 |

Non-Voted Limited General Obligation (LGO) Bonds

- Repaid with existing revenue
- Can't be used for “new” construction
- 3/8 of 1% debt capacity
- Public hearing required if more than \$250,000

| | |
|---------------------------------------|------------------|
| 2021 Bond Assessed Value | \$10,150,599,965 |
| Statutory Capacity Rate | 0.375% |
| Total Statutory Capacity | \$38,064,749 |
| Less: Estimated Non-Voted Debt | (\$974,794) |
| Less: Refunding Use of Non-Voted Debt | \$0 |
| Remaining Capacity | \$37,089,955 |

Capital Projects Levy

- One- to six-year collection cycle
- Pay costs to construct, modernize or remodel school facilities (includes technology improvements)
- Additional capital projects levy may be authorized for the same period (e.g. technology and new roof)
- No interest cost
- Possible life cycle mismatch
- Simple majority (50% + 1)
- If a capital projects levy fails, may be resubmitted to voters only once in the same 12-month period

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Financial Plan

There are a number of items to consider when creating a financial plan.

Project Budget

- What are the estimated costs of the project?
- What are the estimated revenues to help pay for the project?
 - Bonds
 - State match
 - Investment earnings
 - Impact fees

Timing

- When do you need the money?
- What is the construction draw schedule?
- Tax law considerations
 - Provide funds when needed for project costs (IRS 85% spend-down within three years)
 - Arbitrage rebate exemptions
 - Spend-down test
 - Issuance amount (issue \$15 million or less per year)

Taxpayer Impact

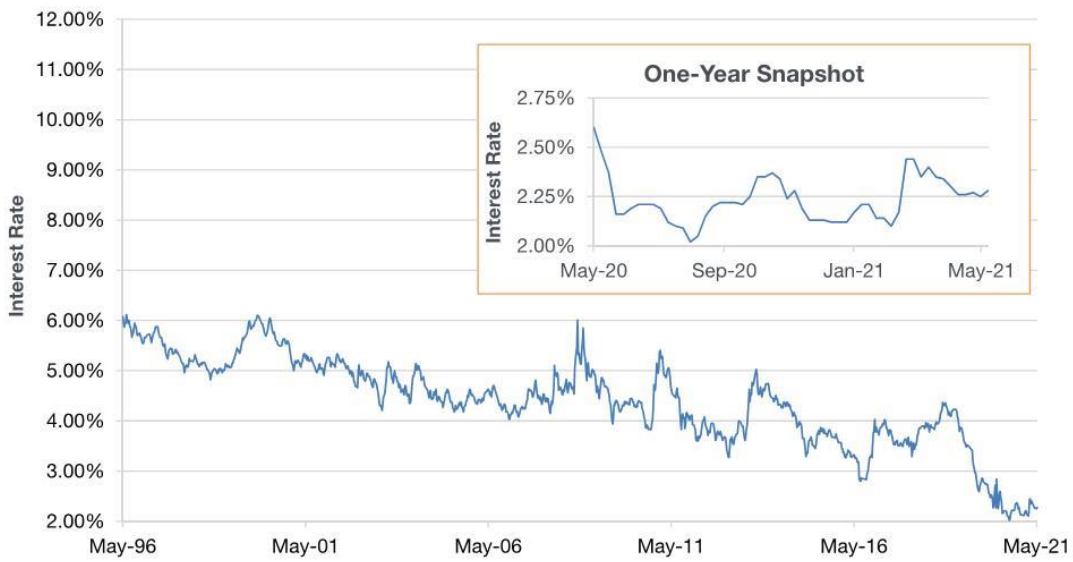
- What is the impact of the project on property owners (taxpayers)?
- Tax rates are the standard means of communicating the tax impact on property owners. The tax rate will be affected by the assumptions used for the following:
 - Interest Rates
 - Bond Rating
 - Assessed Value
 - Bond Structure

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Interest Rates

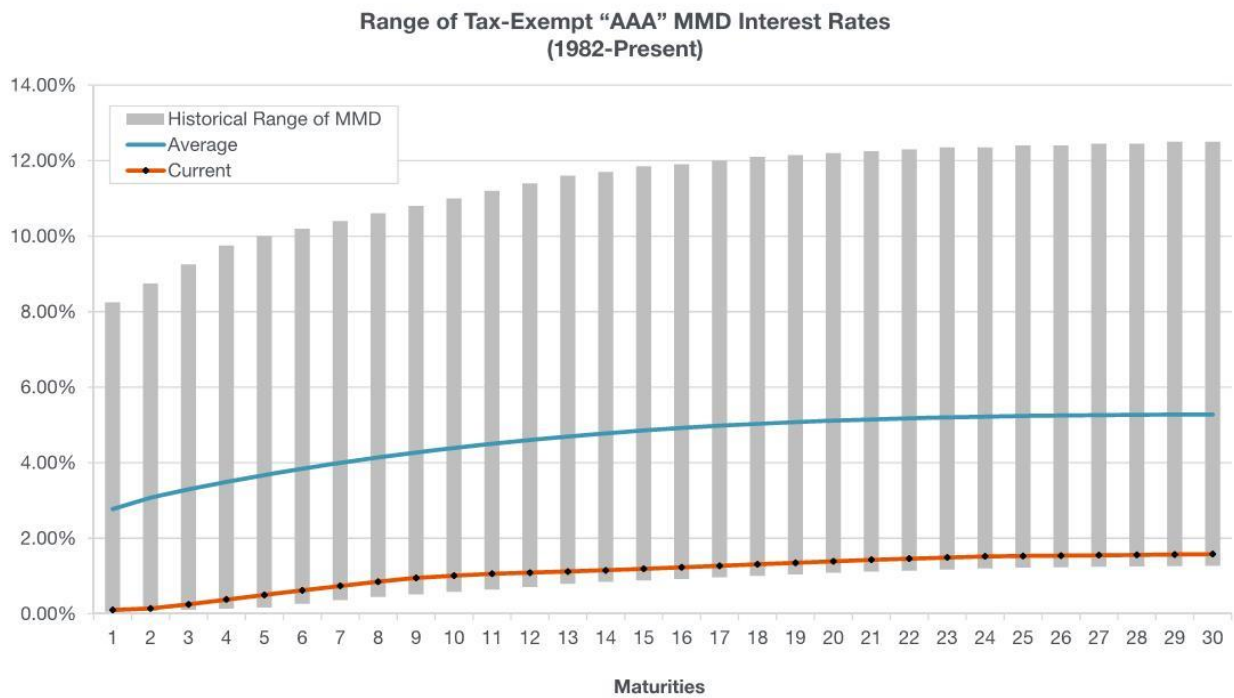
At a regularly scheduled meeting, on April 28, 2021, the Federal Reserve maintained its federal funds target range of 0.00% to 0.25%. This follows two unscheduled emergency rate cuts in 2020 in reaction to the economic slowdown instigated by the novel coronavirus pandemic. Since 2008, there have been five rate cuts, including the two unscheduled cuts.

General Obligation Bond Buyer Index History



South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Tax-Exempt “AAA” MMD Interest Rates



South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Bond Rating

Rating agencies will consider the District's debt, financial performance, governmental factors, and the local economy.

Rating Options

- District's underlying rating (NR)
- State guarantee (Aaa)

Financial Performance Factors

- Accounting and reporting methods
- Revenue/expenditure trends
- Annual operating and budgetary performance
- General fund balance

Local Economy Factors

- Geographic location/proximity to transportation networks, cities, etc.
- Infrastructure of area (roads, utility systems, transportation facilities)
- Size/structure/diversity of tax base (concentration of largest taxpayers)
- Population base (age, education, labor skills, income/wealth levels)
- Employment base (reliance on particular industries)

Debt Factors

- Debt repayment structure
- Debt burden
- Future capital needs

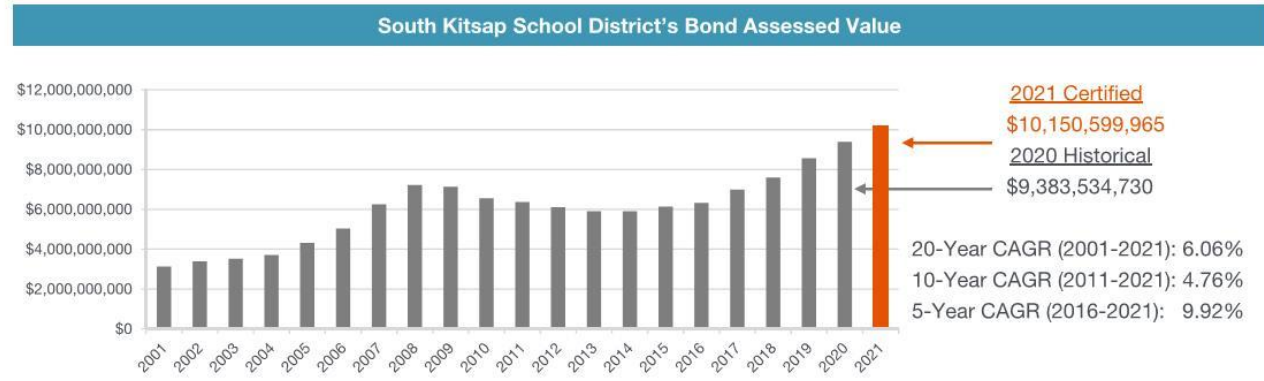
Governmental Factors

- Legal and political relationships between state and local levels of government
- Tenure of governmental officials and frequency of elections
- Background and experience of key members of administration



South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Assessed Value



Projection

| | |
|---------------------|--------------------|
| Final 2019 | 12.8% growth |
| Final 2020 | 9.6% growth |
| Final 2021 | 8.2% growth |
| Assumed 2022 and on | 4.0% annual growth |

- Higher assessed values will lower the District's tax rates (but not the overall payment)
- An individual's taxes will be based on the assessed value of his or her own property
- Dissecting the components that make up the assessed value growth will be important. How much of the growth is related to new construction versus increased value of existing properties?

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Assessed Value

| Year | Assessed Value Total | % Change |
|------|----------------------|----------|
| 2001 | \$ 3,127,267,267 | -- |
| 2002 | 3,396,449,731 | 8.6% |
| 2003 | 3,516,353,513 | 3.5% |
| 2004 | 3,703,087,764 | 5.3% |
| 2005 | 4,309,261,202 | 16.4% |
| 2006 | 5,031,185,192 | 16.8% |
| 2007 | 6,252,479,088 | 24.3% |
| 2008 | 7,221,373,985 | 15.5% |
| 2009 | 7,135,548,127 | (1.2)% |
| 2010 | 6,556,426,695 | (8.1)% |
| 2011 | 6,373,128,370 | (2.8)% |
| 2012 | 6,109,494,121 | (4.1)% |
| 2013 | 5,903,101,028 | (3.4)% |
| 2014 | 5,898,135,414 | (0.1)% |
| 2015 | 6,131,707,809 | 4.0% |
| 2016 | 6,326,480,503 | 3.2% |
| 2017 | 6,990,176,160 | 10.5% |
| 2018 | 7,590,412,367 | 8.6% |
| 2019 | 8,564,344,976 | 12.8% |
| 2020 | 9,383,534,730 | 9.6% |
| 2021 | 10,150,599,965 | 8.2% |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Projected Tax Rates - \$100m Authorization

| Calculation Factors | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|---|---------------------|---------------------|--|-----|--------|----------------|-------|---------|------|-------|-------|------|-------|-------|------|-------|-------|-------------|-------|-------|
| Rating: | Aaa (State Guarantee); NR (Underlying) | | | | | | | | | | | | | | | | | | | | |
| Interest Rates: | 2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent | | | | | | | | | | | | | | | | | | | | |
| Assessed Value Increases at: | <table border="1"> <thead> <tr> <th></th> <th>R&P</th> <th>Timber</th> </tr> </thead> <tbody> <tr> <td>Certified 2021</td> <td>8.24%</td> <td>-17.91%</td> </tr> <tr> <td>2022</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2023</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2024</td> <td>4.00%</td> <td>0.00%</td> </tr> <tr> <td>2025 - 2070</td> <td>4.00%</td> <td>0.00%</td> </tr> </tbody> </table> | | | | R&P | Timber | Certified 2021 | 8.24% | -17.91% | 2022 | 4.00% | 0.00% | 2023 | 4.00% | 0.00% | 2024 | 4.00% | 0.00% | 2025 - 2070 | 4.00% | 0.00% |
| | R&P | Timber | | | | | | | | | | | | | | | | | | | |
| Certified 2021 | 8.24% | -17.91% | | | | | | | | | | | | | | | | | | | |
| 2022 | 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | |
| 2023 | 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | |
| 2024 | 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | |
| 2025 - 2070 | 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | |
| Issue Structure: | Combined Level Tax Rate | | | | | | | | | | | | | | | | | | | | |
| Bonds Issued: | Issue 1 6/1/2022 | Issue 2 6/1/2023 | Issue 3 6/1/2024 | | | | | | | | | | | | | | | | | | |
| Capital Projects Deposit: | \$35,000,000 | \$30,000,000 | \$100,000,000 | | | | | | | | | | | | | | | | | | |

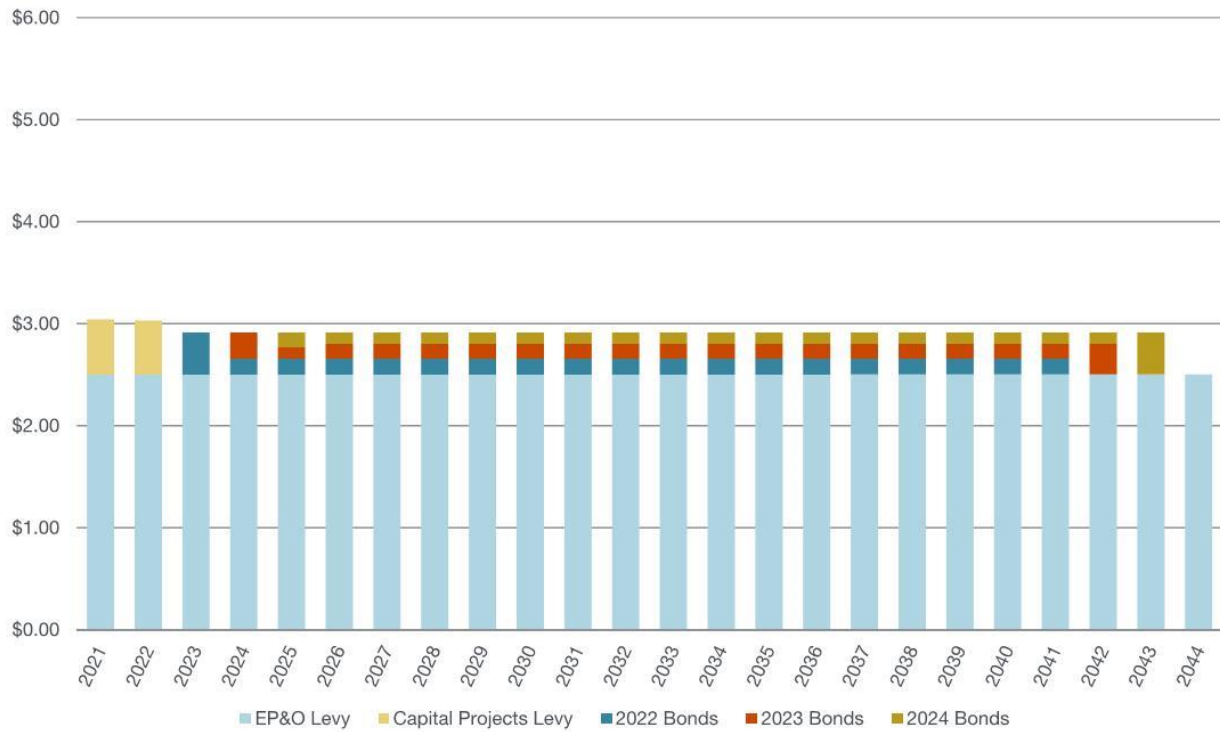
NOTES:
 (1) Certified levy amounts.
 (2) EP&O levy grows with AV. Voter approved Capital levy amount.

| Levy Year | Bond Assessed Value | EP&O Assessed Value | (in 1,000's) | | | | Capital Levy | EP&O Levy |
|----------------------------|---------------------|---------------------|--------------|------------|------------|------------|--------------|--------------|
| | | | Prior Debt | 2022 Issue | 2023 Issue | 2024 Issue | | |
| 2021 | \$10,150,600 | \$10,140,524 | \$0 | \$0 | \$0 | \$0 | \$5,485 | \$25,351 (1) |
| 2022 | 10,555,818 | 10,545,742 | 0 | 0 | 0 | 0 | 5,586 | 26,365 (2) |
| 2023 | 10,977,244 | 10,967,168 | 0 | 4,531 | 0 | 0 | 4,531 | 27,420 |
| 2024 | 11,415,528 | 11,405,452 | 0 | 1,766 | 2,942 | 0 | 4,708 | 28,517 |
| 2025 | 11,871,343 | 11,861,267 | 0 | 1,837 | 1,320 | 1,737 | 4,894 | 29,657 |
| 2026 | 12,345,391 | 12,335,315 | 0 | 1,914 | 1,815 | 1,357 | 5,085 | 30,844 |
| 2027 | 12,838,400 | 12,828,324 | 0 | 1,985 | 1,890 | 1,415 | 5,290 | 32,077 |
| 2028 | 13,351,130 | 13,341,054 | 0 | 2,065 | 1,965 | 1,470 | 5,501 | 33,361 |
| 2029 | 13,884,369 | 13,874,293 | 0 | 2,145 | 2,045 | 1,526 | 5,717 | 34,695 |
| 2030 | 14,438,938 | 14,428,862 | 0 | 2,229 | 2,129 | 1,589 | 5,947 | 36,083 |
| 2031 | 15,015,689 | 15,005,613 | 0 | 2,320 | 2,207 | 1,652 | 6,180 | 37,526 |
| 2032 | 15,615,511 | 15,605,435 | 0 | 2,410 | 2,299 | 1,716 | 6,425 | 39,027 |
| 2033 | 16,239,325 | 16,229,249 | 0 | 2,506 | 2,394 | 1,785 | 6,685 | 40,588 |
| 2034 | 16,888,092 | 16,878,016 | 0 | 2,606 | 2,485 | 1,858 | 6,949 | 42,212 |
| 2035 | 17,562,810 | 17,552,733 | 0 | 2,708 | 2,584 | 1,931 | 7,224 | 43,900 |
| 2036 | 18,264,516 | 18,254,440 | 0 | 2,814 | 2,692 | 2,004 | 7,510 | 45,656 |
| 2037 | 18,994,291 | 18,984,214 | 0 | 2,928 | 2,798 | 2,087 | 7,812 | 47,483 |
| 2038 | 19,753,256 | 19,743,180 | 0 | 3,043 | 2,911 | 2,170 | 8,124 | 49,382 |
| 2039 | 20,542,580 | 20,532,504 | 0 | 3,165 | 3,022 | 2,262 | 8,449 | 51,357 |
| 2040 | 21,363,477 | 21,353,401 | 0 | 3,298 | 3,144 | 2,349 | 8,781 | 53,411 |
| 2041 | 22,217,210 | 22,207,134 | 0 | 3,422 | 3,268 | 2,444 | 9,134 | 55,548 |
| 2042 | 23,105,093 | 23,095,016 | 0 | 0 | 6,958 | 2,538 | 9,495 | 57,770 |
| 2043 | 24,028,490 | 24,018,414 | 0 | 0 | 0 | 9,875 | 9,875 | 60,081 |
| 2044 | 24,988,824 | 24,978,748 | 0 | 0 | 0 | 0 | 0 | 62,484 |
| Total Debt Service: | | | | \$49,683 | \$50,868 | \$43,764 | | |
| Total Interest: | | | | \$17,203 | \$18,778 | \$16,919 | | |
| Net Interest Cost: | | | | 3.39% | 3.44% | 3.28% | | |
| Skit_132_100m | | | | | | | | |

| Projected Tax Rates | | | | | | | |
|---------------------|------------|------------|------------|-------------|--------------|-----------|--------------------|
| Prior Debt | 2022 Issue | 2023 Issue | 2024 Issue | Total Bonds | Capital Levy | EP&O Levy | Combined Tax Rates |
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.54 | \$2.50 | \$3.04 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.53 | 2.50 | 3.03 |
| 0.00 | 0.41 | 0.00 | 0.00 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.26 | 0.00 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.11 | 0.15 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.16 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.15 | 0.15 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.00 | 0.30 | 0.11 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.00 | 0.00 | 0.41 | 0.41 | 0.00 | 2.50 | 2.91 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.50 | 2.50 |

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Tax Rate Graph - \$100m Authorization



South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Projected Tax Rates - \$200m Authorization

| Calculation Factors | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|-----------------------|-----------------------|---------------|--|-----|--------|-----------|------------|---------|--|------------|-------|--|------------|-------|--|------------|-------|--|-------------------|-------|
| Rating: | Aaa (State Guarantee); NR (Underlying) | | | | | | | | | | | | | | | | | | | | | |
| Interest Rates: | 2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent | | | | | | | | | | | | | | | | | | | | | |
| Assessed Value Increases at: | <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>R&P</th> <th>Timber</th> </tr> </thead> <tbody> <tr> <td>Certified</td> <td>2021 8.24%</td> <td>-17.91%</td> </tr> <tr> <td></td> <td>2022 4.00%</td> <td>0.00%</td> </tr> <tr> <td></td> <td>2023 4.00%</td> <td>0.00%</td> </tr> <tr> <td></td> <td>2024 4.00%</td> <td>0.00%</td> </tr> <tr> <td></td> <td>2025 - 2070 4.00%</td> <td>0.00%</td> </tr> </tbody> </table> | | | | | R&P | Timber | Certified | 2021 8.24% | -17.91% | | 2022 4.00% | 0.00% | | 2023 4.00% | 0.00% | | 2024 4.00% | 0.00% | | 2025 - 2070 4.00% | 0.00% |
| | R&P | Timber | | | | | | | | | | | | | | | | | | | | |
| Certified | 2021 8.24% | -17.91% | | | | | | | | | | | | | | | | | | | | |
| | 2022 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | | |
| | 2023 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | | |
| | 2024 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | | |
| | 2025 - 2070 4.00% | 0.00% | | | | | | | | | | | | | | | | | | | | |
| Issue Structure: | Combined Level Tax Rate | | | | | | | | | | | | | | | | | | | | | |
| Bonds Issued: | Issue 1 | Issue 2 | Issue 3 | Total | | | | | | | | | | | | | | | | | | |
| Capital Projects Deposit: | 6/1/2022 \$70,000,000 | 6/1/2023 \$65,000,000 | 6/1/2024 \$65,000,000 | \$200,000,000 | | | | | | | | | | | | | | | | | | |

NOTES:
(1) Certified levy amounts.
(2) EP&O levy grows with AV. Voter approved Capital levy amount.

| Levy Year | (in 1,000's) | | | | | | | Capital Levy | EP&O Levy | |
|----------------------------|---------------------|---------------------|--------------|------------|------------|------------|-------------|--------------|--------------|--|
| | Bond Assessed Value | EP&O Assessed Value | Debt Service | | | | Total Bonds | | | |
| | | | Prior Debt | 2022 Issue | 2023 Issue | 2024 Issue | | | | |
| 2021 | \$10,150,600 | \$10,140,524 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,486 | \$25,351 (1) | |
| 2022 | 10,555,818 | 10,545,742 | 0 | 0 | 0 | 0 | 0 | 5,586 | 26,365 (2) | |
| 2023 | 10,977,244 | 10,967,168 | 0 | 9,016 | 0 | 0 | 9,016 | 0 | 27,420 | |
| 2024 | 11,415,528 | 11,405,452 | 0 | 3,522 | 5,845 | 0 | 9,367 | 0 | 28,517 | |
| 2025 | 11,871,343 | 11,861,267 | 0 | 3,665 | 2,435 | 3,660 | 9,759 | 0 | 29,657 | |
| 2026 | 12,345,391 | 12,335,315 | 0 | 3,807 | 3,340 | 3,000 | 10,147 | 0 | 30,844 | |
| 2027 | 12,838,400 | 12,828,324 | 0 | 3,960 | 3,469 | 3,122 | 10,552 | 0 | 32,077 | |
| 2028 | 13,351,130 | 13,341,054 | 0 | 4,117 | 3,610 | 3,242 | 10,969 | 0 | 33,361 | |
| 2029 | 13,884,369 | 13,874,293 | 0 | 4,282 | 3,752 | 3,373 | 11,407 | 0 | 34,695 | |
| 2030 | 14,438,938 | 14,428,862 | 0 | 4,449 | 3,908 | 3,506 | 11,863 | 0 | 36,083 | |
| 2031 | 15,015,689 | 15,005,613 | 0 | 4,628 | 4,057 | 3,650 | 12,335 | 0 | 37,526 | |
| 2032 | 15,615,511 | 15,605,435 | 0 | 4,812 | 4,220 | 3,794 | 12,825 | 0 | 39,027 | |
| 2033 | 16,239,325 | 16,229,249 | 0 | 5,000 | 4,395 | 3,941 | 13,336 | 0 | 40,588 | |
| 2034 | 16,888,092 | 16,878,016 | 0 | 5,199 | 4,570 | 4,098 | 13,867 | 0 | 42,212 | |
| 2035 | 17,562,810 | 17,552,733 | 0 | 5,410 | 4,744 | 4,266 | 14,420 | 0 | 43,900 | |
| 2036 | 18,264,516 | 18,254,440 | 0 | 5,622 | 4,941 | 4,435 | 14,998 | 0 | 45,656 | |
| 2037 | 18,994,291 | 18,984,214 | 0 | 5,849 | 5,135 | 4,614 | 15,598 | 0 | 47,483 | |
| 2038 | 19,753,256 | 19,743,180 | 0 | 6,080 | 5,341 | 4,796 | 16,217 | 0 | 49,382 | |
| 2039 | 20,542,590 | 20,532,504 | 0 | 6,319 | 5,558 | 4,986 | 16,863 | 0 | 51,357 | |
| 2040 | 21,363,477 | 21,353,401 | 0 | 6,576 | 5,774 | 5,188 | 17,538 | 0 | 53,411 | |
| 2041 | 22,217,210 | 22,207,134 | 0 | 6,833 | 6,010 | 5,396 | 18,239 | 0 | 55,548 | |
| 2042 | 23,105,093 | 23,095,016 | 0 | 0 | 13,354 | 5,610 | 18,964 | 0 | 57,770 | |
| 2043 | 24,028,490 | 24,018,414 | 0 | 0 | 0 | 19,724 | 19,724 | 0 | 60,081 | |
| 2044 | 24,988,824 | 24,978,748 | 0 | 0 | 0 | 0 | 0 | 0 | 62,484 | |
| Total Debt Service: | | | | \$99,145 | \$94,456 | \$94,402 | | | | |
| Total Interest: | | | | \$34,345 | \$34,821 | \$36,267 | | | | |
| Net Interest Cost: | | | | 3.39% | 3.44% | 3.27% | | | | |
| Skitt_131_200m | | | | | | | | | | |

| Levy Year | Projected Tax Rates | | | | | | | Capital Levy | EP&O Levy | Combined Tax Rates |
|-----------|---------------------|------------|------------|------------|-------------|--------|--------|--------------|-----------|--------------------|
| | Prior Debt | 2022 Issue | 2023 Issue | 2024 Issue | Total Bonds | | | | | |
| 2021 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.54 | \$2.50 | \$3.04 | |
| 2022 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.53 | 2.50 | 3.03 | |
| 2023 | 0.00 | 0.82 | 0.00 | 0.00 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2024 | 0.00 | 0.31 | 0.51 | 0.00 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2025 | 0.00 | 0.31 | 0.21 | 0.31 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2026 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2027 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2028 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2029 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2030 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2031 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2032 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2033 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2034 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2035 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2036 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2037 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2038 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2039 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2040 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2041 | 0.00 | 0.31 | 0.27 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2042 | 0.00 | 0.00 | 0.58 | 0.24 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2043 | 0.00 | 0.00 | 0.00 | 0.82 | 0.82 | 0.00 | 2.50 | 2.50 | 3.32 | |
| 2044 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.50 | 2.50 | 2.50 | |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

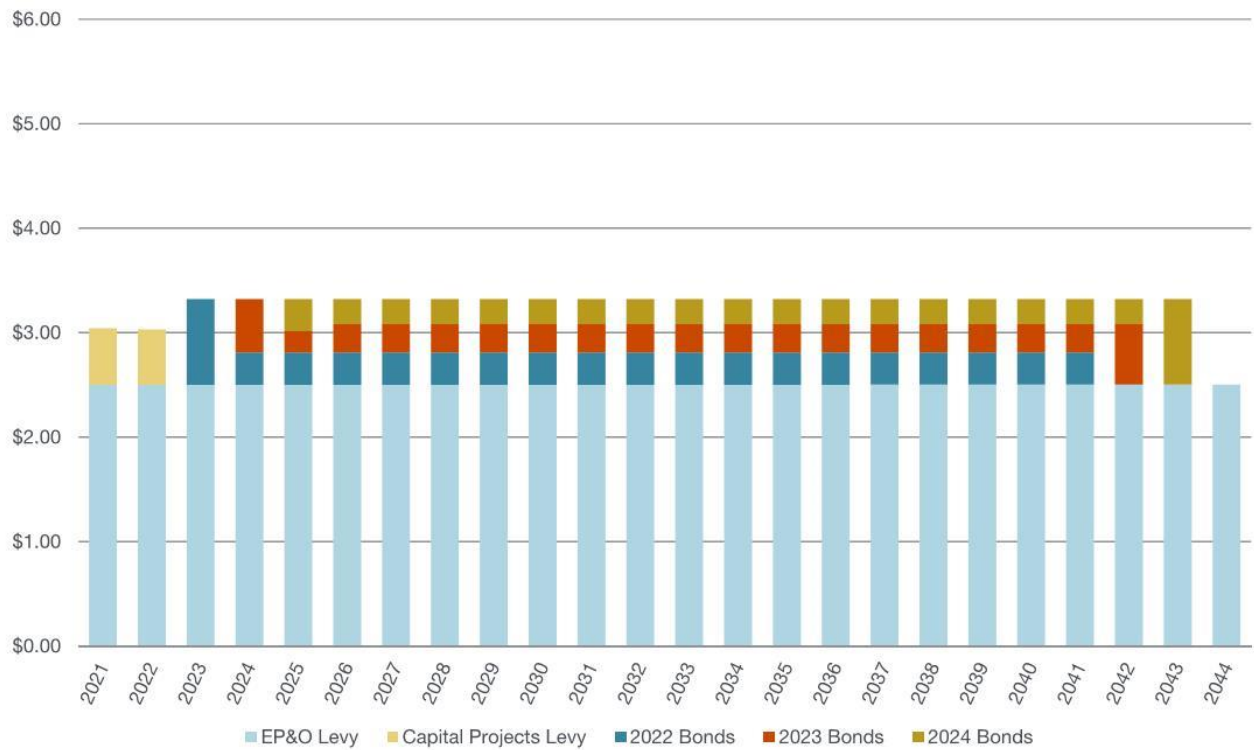
Tax Impact Analysis - \$200m Authorization

| South Kitsap School District No. 402 | | | | | | | |
|--|---------------------------------------|------------------------|---|--------|--------|--------|--------|
| TAX IMPACT ANALYSIS | | | | | | | |
| Bond Authorization Amount: | | \$200,000,000 | | | | | |
| Estimated 2023 Tax Rate Increase over 2022 Tax Rate (per \$1,000 assessed value): \$0.29 | | | | | | | |
| Assessed Value of Property | Gross Property Tax Increase for Bonds | Monthly Gross Increase | Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction | | | | |
| | | | Federal Income Tax Bracket | | | | |
| | | | 22% | 24% | 32% | 35% | 37% |
| \$100,000 | \$29.00 | \$2.42 | \$1.89 | \$1.84 | \$1.64 | \$1.57 | \$1.52 |
| 150,000 | 44.00 | 3.67 | 2.86 | 2.79 | 2.49 | 2.38 | 2.31 |
| 200,000 | 58.00 | 4.83 | 3.77 | 3.67 | 3.29 | 3.14 | 3.05 |
| 250,000 | 73.00 | 6.08 | 4.75 | 4.62 | 4.14 | 3.95 | 3.83 |
| 300,000 | 87.00 | 7.25 | 5.66 | 5.51 | 4.93 | 4.71 | 4.57 |

NOTE: 10% & 12% tax brackets not depicted. Qualified homeowners may apply for a senior exemption. Please contact the Kitsap County Assessor for details at (360) 337-7160.

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Tax Rate Graph - \$200m Authorization



South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Projected Tax Rates - \$300m Authorization

| Calculation Factors | | | |
|------------------------------|--|---------------|---------------|
| Rating: | Aaa (State Guarantee); NR (Underlying) | | |
| Interest Rates: | 2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent | | |
| Assessed Value Increases at: | R&P | Timber | |
| | Certified | 2021 | 8.24% |
| | | 2022 | 4.00% |
| | | 2023 | 4.00% |
| | | 2024 | 4.00% |
| | | 2025 - 2070 | 4.00% |
| Issue Structure: | Combined Level Tax Rate | | |
| Bonds Issued: | Issue 1 | Issue 2 | Issue 3 |
| Capital Projects Deposit: | 6/1/2022 | 6/1/2023 | 6/1/2024 |
| | \$100,000,000 | \$100,000,000 | \$300,000,000 |

NOTES:
 (1) Certified levy amounts.
 (2) EP&O levy grows with AV. Voter approved Capital levy amount.

| Levy Year | Bond Assessed Value | EP&O Assessed Value | (in 1,000's) | | | | Capital Levy | EP&O Levy | |
|----------------------------|---------------------|---------------------|--------------|------------|------------|------------|--------------|-----------|-----|
| | | | Prior Debt | 2022 Issue | 2023 Issue | 2024 Issue | | | |
| 2021 | \$10,150,600 | \$10,140,524 | \$0 | \$0 | \$0 | \$0 | \$5,485 | \$25,351 | (1) |
| 2022 | 10,555,818 | 10,545,742 | 0 | 0 | 0 | 0 | 5,586 | 26,365 | (2) |
| 2023 | 10,977,244 | 10,967,168 | 0 | 13,529 | 0 | 13,529 | 0 | 27,420 | |
| 2024 | 11,415,528 | 11,405,452 | 0 | 4,945 | 9,083 | 0 | 14,027 | 26,517 | |
| 2025 | 11,871,343 | 11,861,267 | 0 | 5,143 | 3,744 | 5,676 | 14,562 | 29,657 | |
| 2026 | 12,345,391 | 12,335,315 | 0 | 5,348 | 5,159 | 4,635 | 15,141 | 30,844 | |
| 2027 | 12,838,400 | 12,828,324 | 0 | 5,558 | 5,368 | 4,821 | 15,747 | 32,077 | |
| 2028 | 13,351,130 | 13,341,054 | 0 | 5,778 | 5,578 | 5,016 | 16,372 | 33,361 | |
| 2029 | 13,884,369 | 13,874,293 | 0 | 6,007 | 5,804 | 5,218 | 17,028 | 34,695 | |
| 2030 | 14,438,938 | 14,428,862 | 0 | 6,248 | 6,033 | 5,426 | 17,707 | 36,083 | |
| 2031 | 15,015,689 | 15,005,613 | 0 | 6,495 | 6,275 | 5,645 | 18,415 | 37,526 | |
| 2032 | 15,615,511 | 15,605,435 | 0 | 6,756 | 6,523 | 5,868 | 19,148 | 39,027 | |
| 2033 | 16,239,325 | 16,229,249 | 0 | 7,025 | 6,787 | 6,100 | 19,911 | 40,588 | |
| 2034 | 16,888,092 | 16,878,016 | 0 | 7,306 | 7,053 | 6,348 | 20,708 | 42,212 | |
| 2035 | 17,562,810 | 17,552,733 | 0 | 7,594 | 7,340 | 6,597 | 21,531 | 43,900 | |
| 2036 | 18,264,516 | 18,254,440 | 0 | 7,897 | 7,633 | 6,863 | 22,393 | 45,656 | |
| 2037 | 18,994,291 | 18,984,214 | 0 | 8,214 | 7,937 | 7,131 | 23,282 | 47,483 | |
| 2038 | 19,753,256 | 19,743,180 | 0 | 8,538 | 8,256 | 7,418 | 24,212 | 49,382 | |
| 2039 | 20,542,590 | 20,532,504 | 0 | 8,879 | 8,582 | 7,720 | 25,182 | 51,357 | |
| 2040 | 21,363,477 | 21,353,401 | 0 | 9,235 | 8,925 | 8,028 | 26,188 | 53,411 | |
| 2041 | 22,217,210 | 22,207,134 | 0 | 9,599 | 9,289 | 8,344 | 27,232 | 55,548 | |
| 2042 | 23,105,093 | 23,095,016 | 0 | 0 | 19,640 | 8,678 | 28,318 | 57,770 | |
| 2043 | 24,028,490 | 24,018,414 | 0 | 0 | 0 | 29,448 | 29,448 | 60,081 | |
| 2044 | 24,988,824 | 24,978,748 | 0 | 0 | 0 | 0 | 0 | 62,484 | |
| Total Debt Service: | | | | \$140,094 | \$145,008 | \$144,980 | | | |
| Total Interest: | | | | \$48,294 | \$53,293 | \$55,550 | | | |
| Net Interest Cost: | | | | 3.39% | 3.44% | 3.27% | | | |
| Skit_130_300m | | | | | | | | | |

| Prior Debt | Projected Tax Rates | | | | Capital Levy | EP&O Levy | Combined Tax Rates |
|------------|---------------------|------------|------------|-------------|--------------|-----------|--------------------|
| | 2022 Issue | 2023 Issue | 2024 Issue | Total Bonds | | | |
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.54 | \$2.50 | \$3.04 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.53 | 2.50 | 3.03 |
| 0.00 | 1.23 | 0.00 | 0.00 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.80 | 0.00 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.32 | 0.48 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.43 | 0.42 | 0.38 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.00 | 0.00 | 1.23 | 1.23 | 0.00 | 2.50 | 3.73 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.50 | 2.50 |

South Kitsap School District
 Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

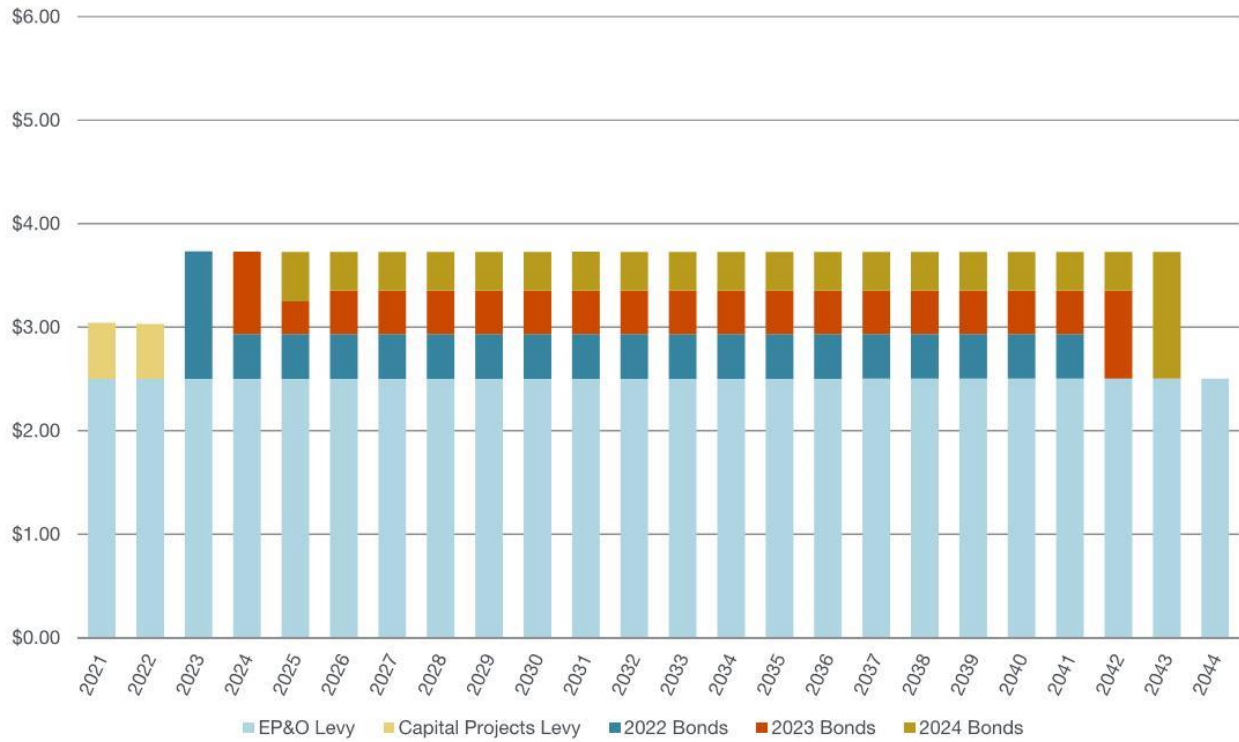
Tax Impact Analysis - \$300m Authorization

| South Kitsap School District No. 402 | | | | | | | |
|--|---------------------------------------|------------------------|---|--------|--------|--------|--------|
| TAX IMPACT ANALYSIS | | | | | | | |
| Bond Authorization Amount: | | \$300,000,000 | | | | | |
| Estimated 2023 Tax Rate Increase over 2022 Tax Rate (per \$1,000 assessed value): \$0.70 | | | | | | | |
| Assessed Value of Property | Gross Property Tax Increase for Bonds | Monthly Gross Increase | Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction | | | | |
| | | | Federal Income Tax Bracket | | | | |
| | | | 22% | 24% | 32% | 35% | 37% |
| \$100,000 | \$70.00 | \$5.83 | \$4.55 | \$4.43 | \$3.97 | \$3.79 | \$3.68 |
| 150,000 | 105.00 | 8.75 | 6.83 | 6.65 | 5.95 | 5.69 | 5.51 |
| 200,000 | 140.00 | 11.67 | 9.10 | 8.87 | 7.93 | 7.58 | 7.35 |
| 250,000 | 175.00 | 14.58 | 11.38 | 11.08 | 9.92 | 9.48 | 9.19 |
| 300,000 | 210.00 | 17.50 | 13.65 | 13.30 | 11.90 | 11.38 | 11.03 |

NOTE: 10% & 12% tax brackets not depicted. Qualified homeowners may apply for a senior exemption. Please contact the Kitsap County Assessor for details at (360) 337-7160.

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Tax Rate Graph - \$300m Authorization



South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

Next Steps

Financing Team's Role

Project Planning

- Refine project scope and local share of required funds
- Refine tax rate projections

Looking Ahead

- Debt Service Fund cash flow planning and budget
- Future financing and levy needs

Election Resources

- Attendance at Facility / Bond Committee meetings
- Presentation of information for community and civic organization meetings
- Briefing of County Assessor and Treasurer
- Community Surveys

Piper Sandler's Service

Pre-Election Service

- Provide bond issue planning
- Attend community meetings
- Meet with Facilities Committee
- Act as resource to Election Committee – survey research
- Coordinate work with County Treasurer

Post-Election Service

- Coordinate financing team activities
- Prepare Official Statements
- Apply for bond ratings and credit enhancement
- Market and sell bonds
- Provide ongoing assistance:
 - Debt Service Fund cash flow analysis
 - SEC disclosure compliance
 - Refunding analysis
 - Arbitrage rebate assistance

April 2022

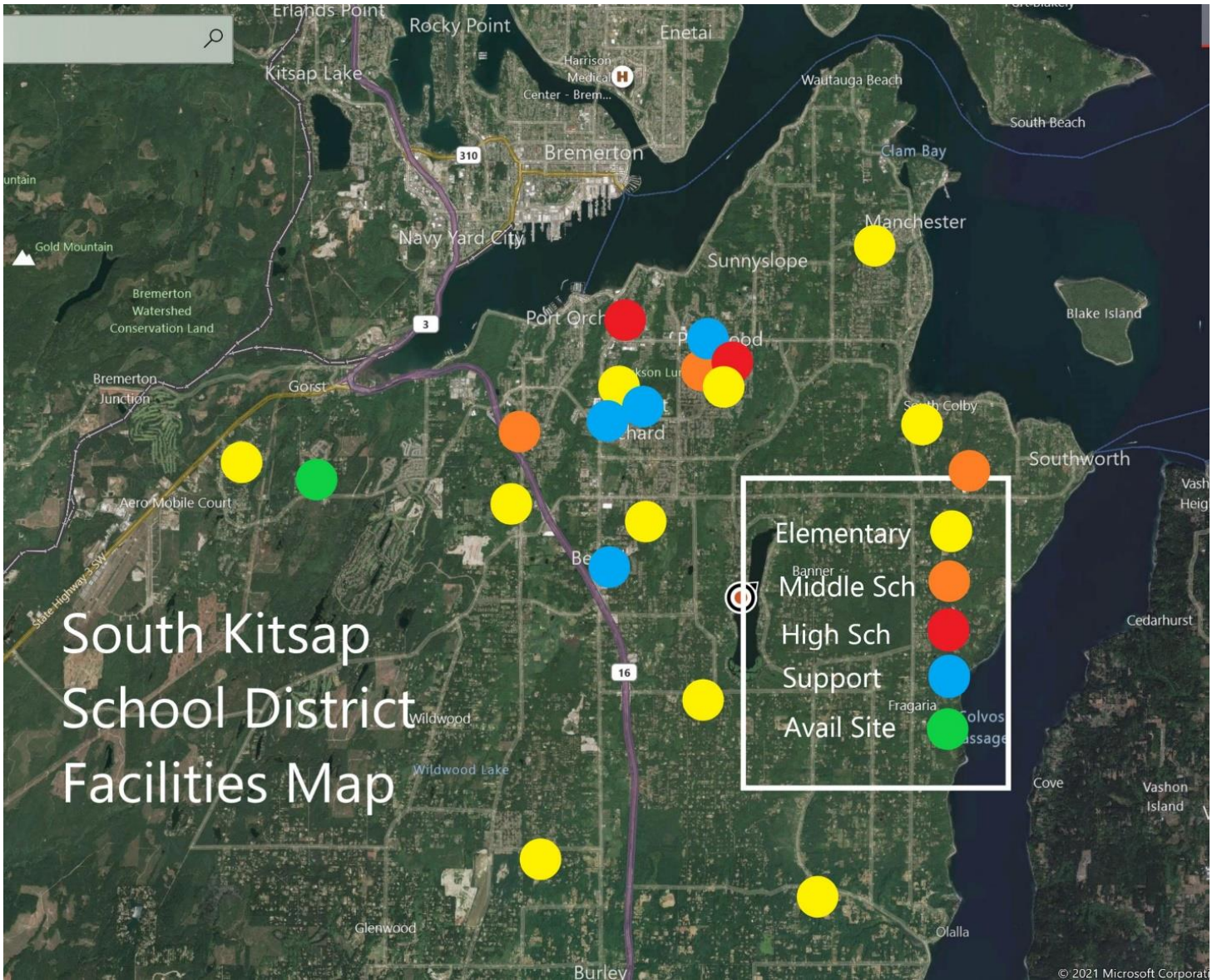
South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES

APPENDIX 6

Following is a set images showing aerial imagery with a brief description of the assessment of each facility, including the categorization of the project, Minor Modernization to Replacement.

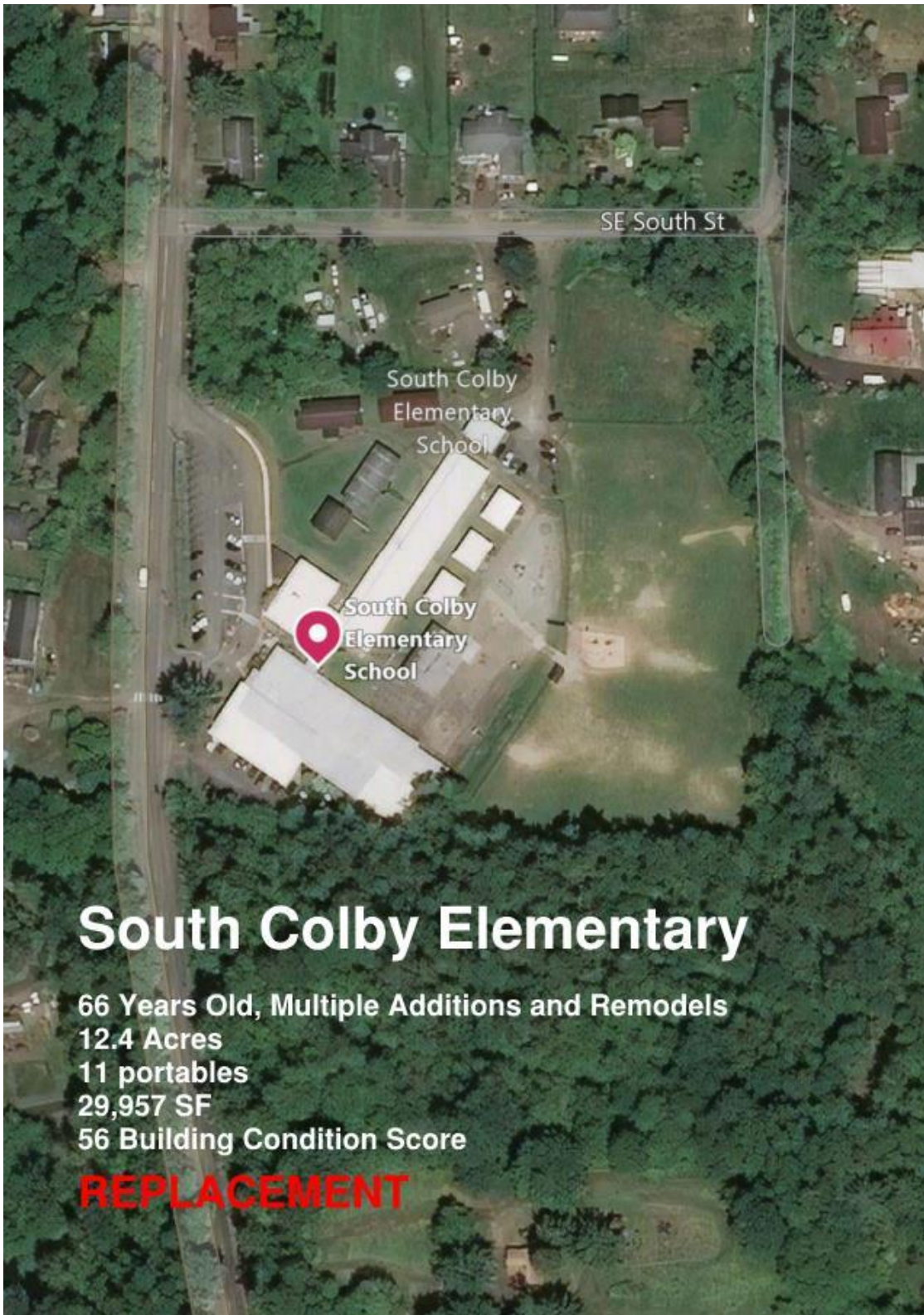
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

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Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



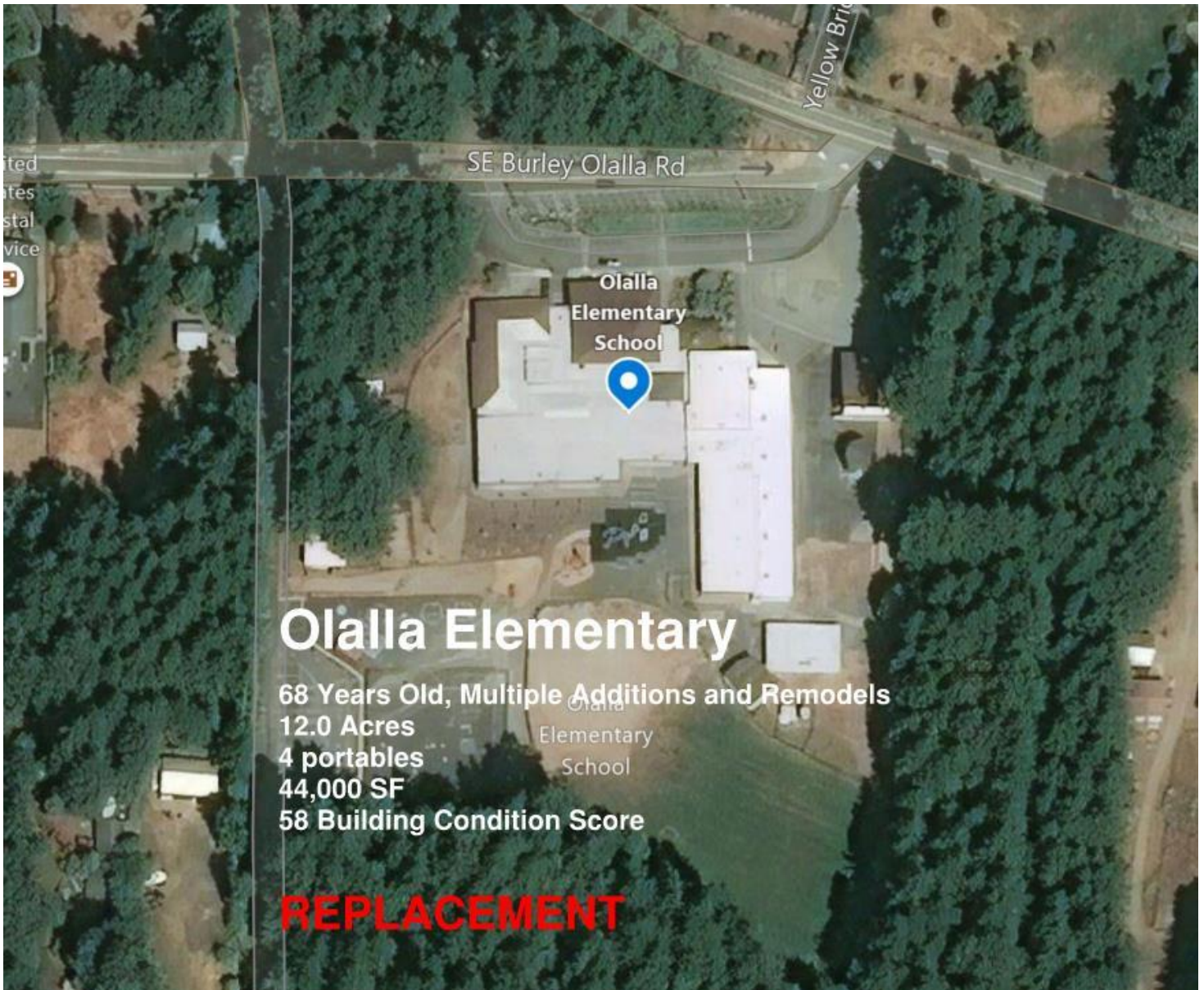
South Colby Elementary

66 Years Old, Multiple Additions and Remodels
12.4 Acres
11 portables
29,957 SF
56 Building Condition Score

REPLACEMENT

April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



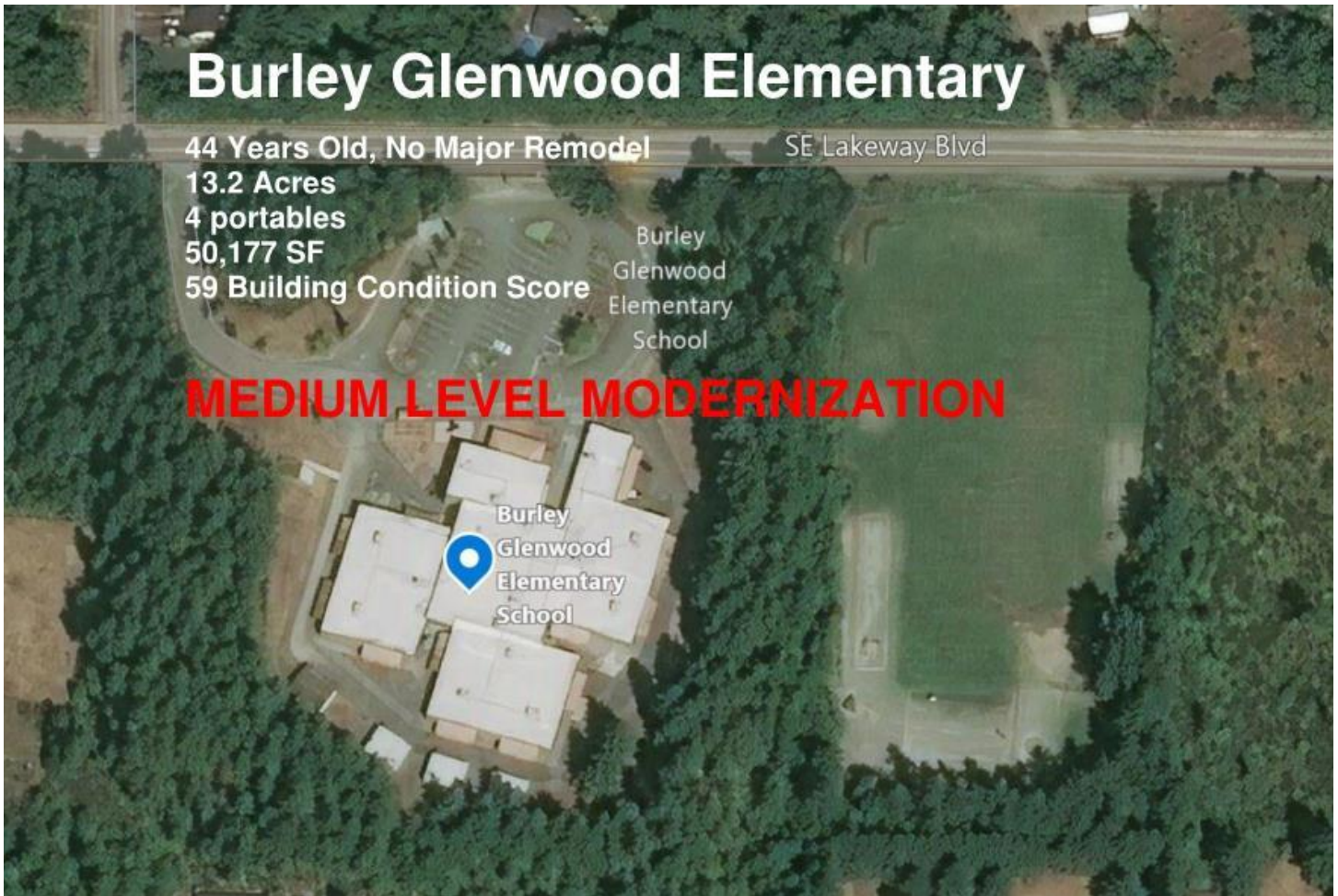
April 2022

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Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



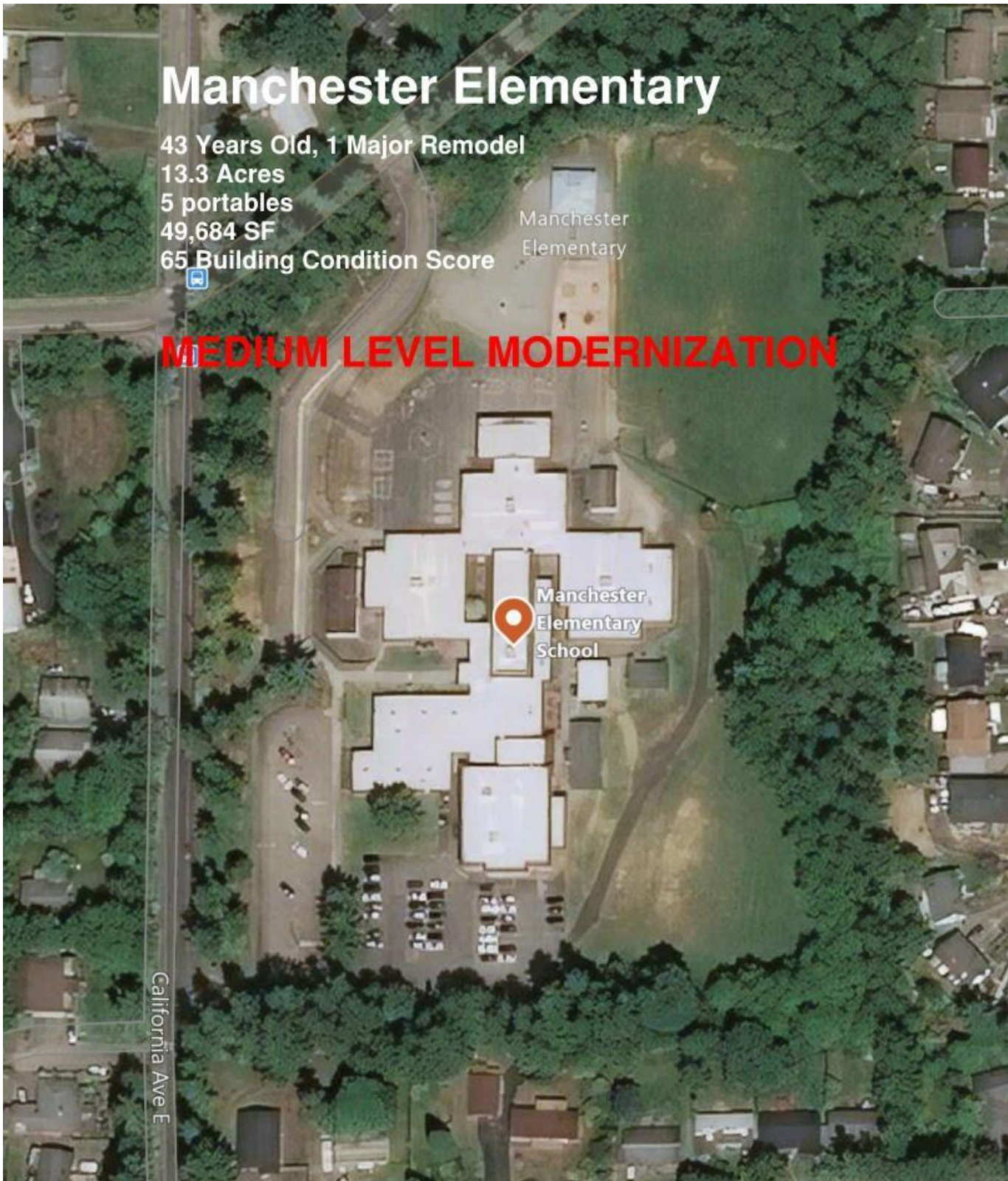
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



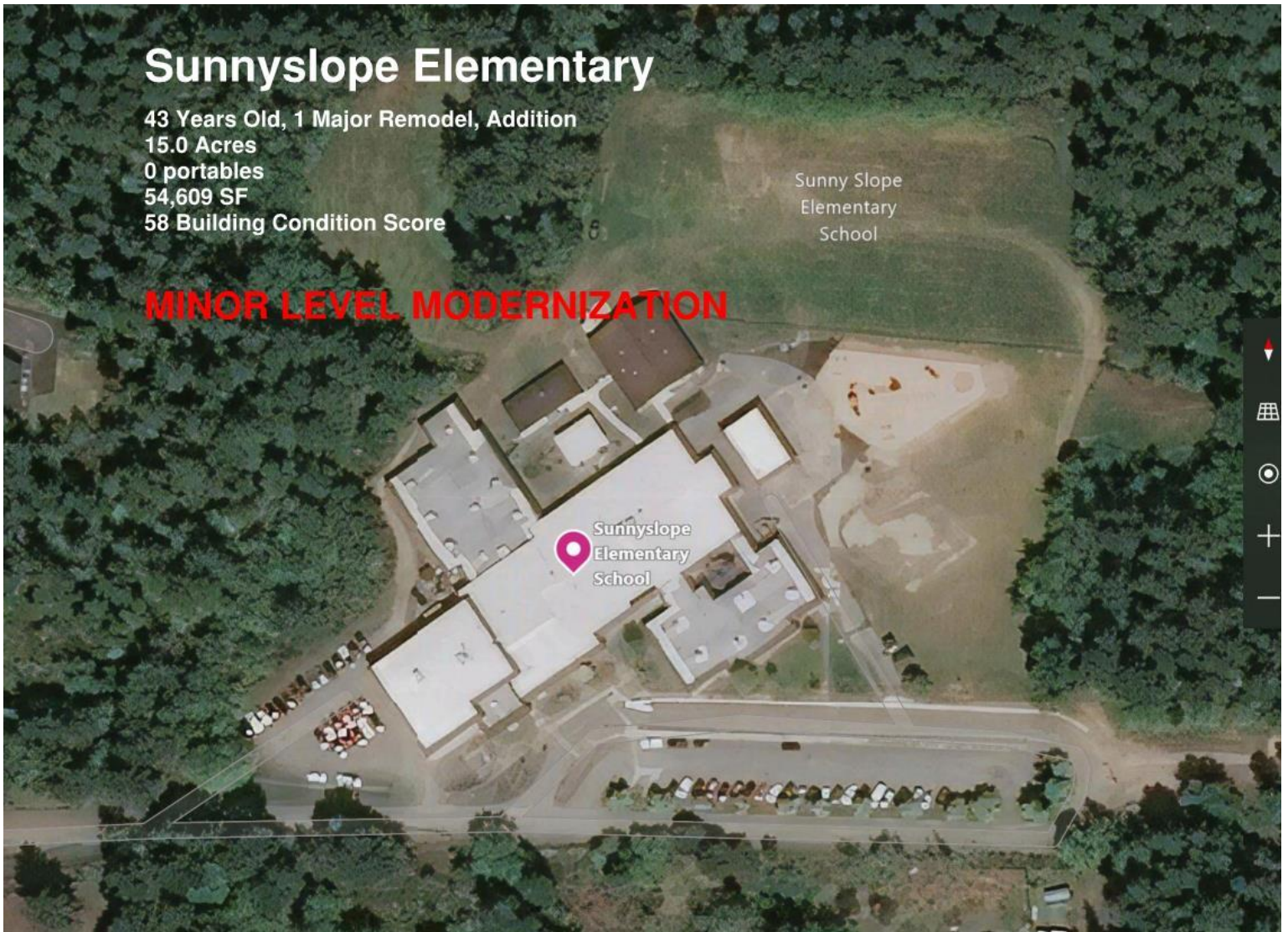
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



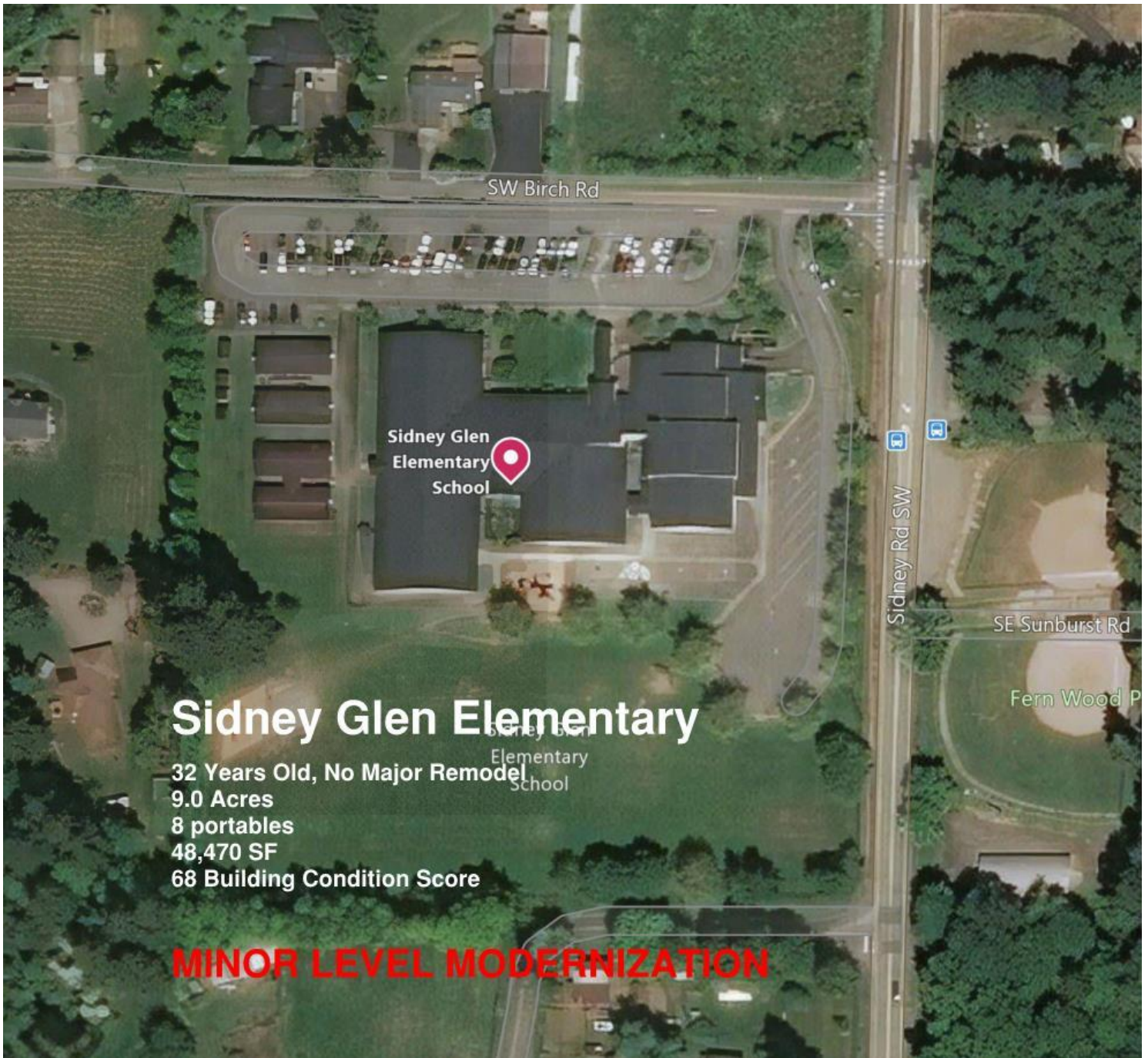
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



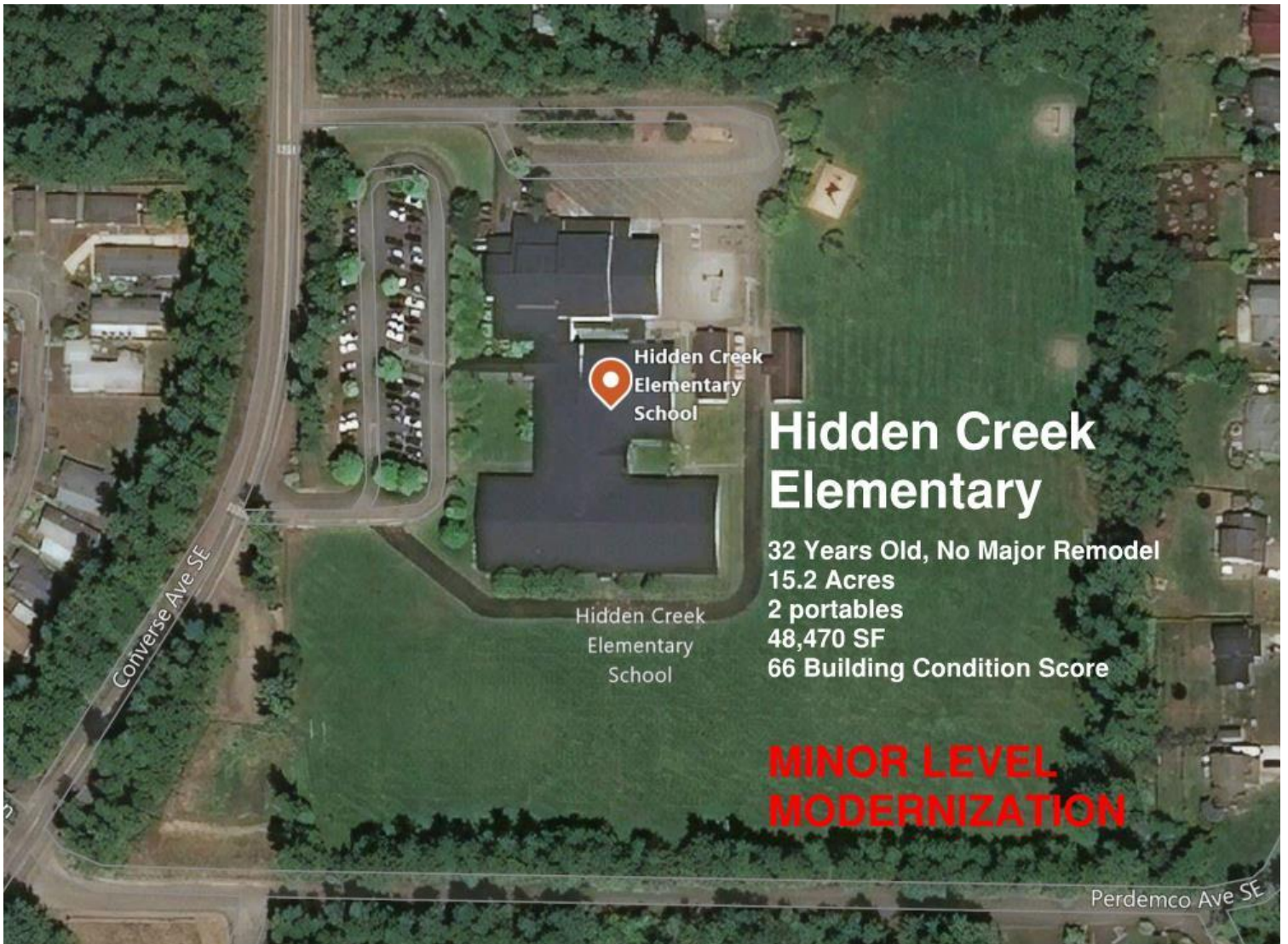
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

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Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

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Long Range Facility Planning Team Recommendation:
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April 2022

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Long Range Facility Planning Team Recommendation:
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April 2022

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Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



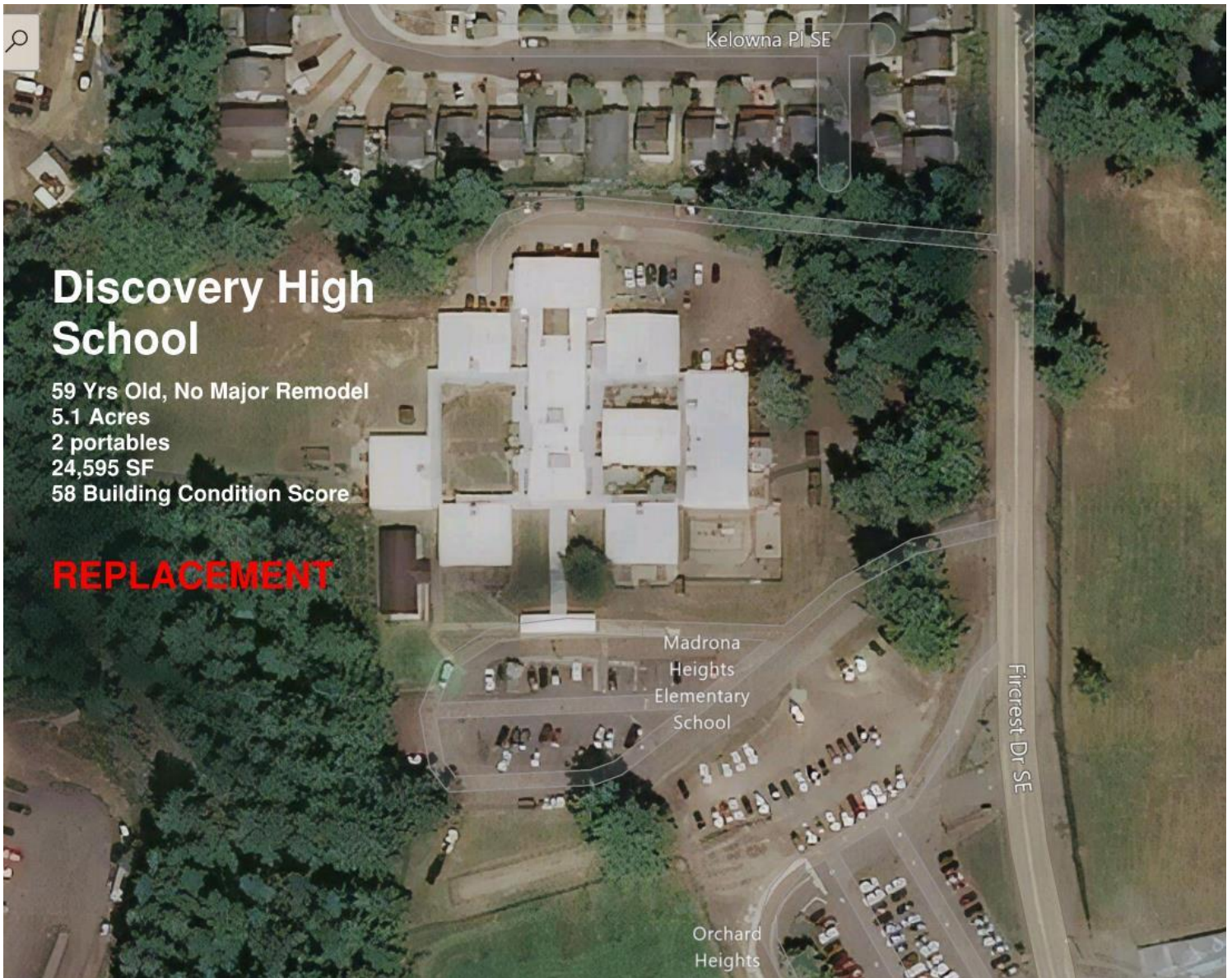
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



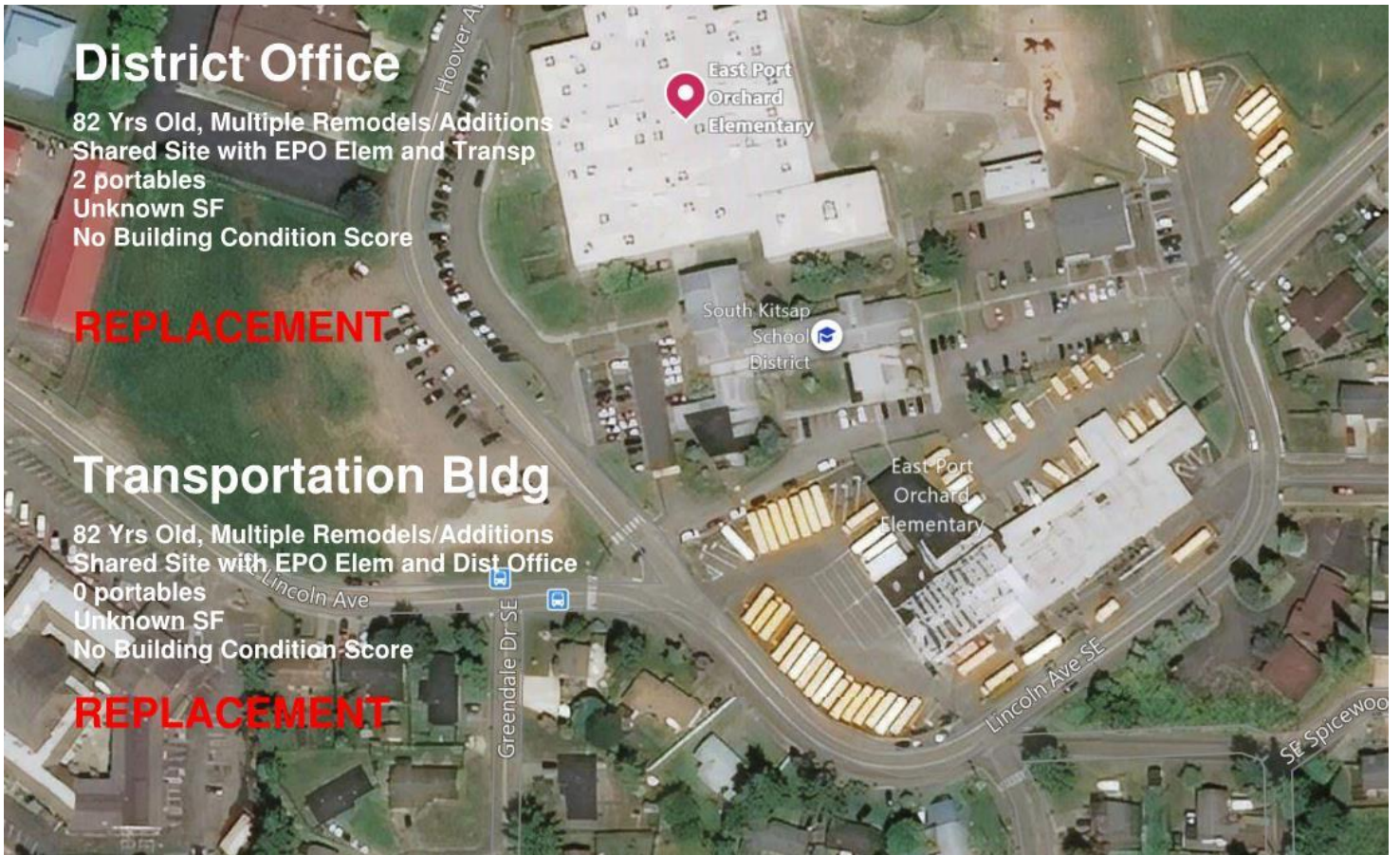
April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



April 2022

South Kitsap School District
Long Range Facility Planning Team Recommendation:
REBUILDING SK FACILITIES



Facilities and Operations

Age Unknown
Unknown SF
No Building Condition Score

MINOR MODERNIZATION