

Tax Rate Statement
School Facilities Improvement District No. 2020-1
of the Tustin Unified School District
Measure N

As shown in the attached official ballot, an election is being held within School Facilities Improvement District No. 2020-1 of the Tustin Unified School District ("Improvement District") on March 3, 2020, for the purpose of submitting to the registered voters within the boundaries of the Improvement District the question of whether the Improvement District shall issue and sell bonds in an amount not to exceed \$215,000,000 for the purpose of providing funds for the specified school facilities and school projects as set forth in the resolution of the Tustin Unified School District ("School District") calling such bond election. This measure will authorize a tax sufficient for payment of interest on, and redemption of, the bonds. The bonds shall bear interest at a rate, or rates, to be established at such time as the bonds are sold, in one or more series, at fixed or variable interest rates not to exceed the maximum applicable statutory rate for such bonds. If such bonds are authorized and sold, the principal thereof and the interest thereon are a general obligation of the School District on behalf of the Improvement District, payable from the proceeds of *ad valorem* property taxes on taxable real property located within the Improvement District.

The following information is submitted in compliance with California Elections Code Sections 9401 through 9404 based on estimates of assessed valuations available at the time of filing of this statement:

- (a) The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue during the entire duration of the bond debt service (repayment of the bonds) based on estimated assessed valuations available at the time of filing of this statement, which is a projection based on experience within the same jurisdiction or other demonstrable factors, is \$0.03 per \$100 (\$30.00 per \$100,000) of assessed valuation. The final fiscal year in which such tax is anticipated to be collected is 2054-2055.
- (b) The best estimate from official sources of the highest tax rate which would be required to be levied to fund such bond issue(s) based on estimated assessed valuations available at the time of filing of this statement, which is a projection based on experience within the same jurisdiction or other demonstrable factors, is \$0.03 per \$100 (\$30.00 per \$100,000) of assessed valuation. It is estimated that this tax rate would apply in the 2020-2021 tax/fiscal year.
- (c) The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$434,045,225.

Voters should note that these estimated tax rates are based on the *assessed value* of taxable property within the Improvement District as shown on the official rolls of Orange County, 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 rate than described above. Actual future assessed valuation will depend upon the amount and value of taxable property within the Improvement District as determined by the Orange County Assessor in the annual assessment and the equalization process. Property owners should consult their own property tax bills and/or tax advisors to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that these estimates are based on assumptions and projections derived from information currently available and obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of any bond sales, the amount of bonds sold, the maturities of the bonds issued and sold, market interest rates at the time of each sale of bonds and actual assessed valuations over the term of repayment of the bonds. The figures provided above are estimations based on the factors noted herein and are not maximum limitations. The timing of the bond sales and the amount of bonds sold at any given time will be governed by the needs of the School District. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each such sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the Improvement District as determined by the Orange County Assessor in the annual assessment and the equalization process.

Dated: November 18, 2019

s/ Gregory A. Franklin
Superintendent, Tustin Unified School District