

MEASURE X

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE X

Measure X would authorize issuance of \$248,000,000 in bonds to fund educational facilities projects in the Gavilan Joint Community College District (District). Such bonds are financial instruments used by districts to borrow money that is repaid by a property tax levy. California law allows community college districts to propose bond measures to authorize the issuance of bonds. To pass, the Measure must be approved by 55 percent of voters who vote in the election. The Measure was put on the ballot by Board of Trustees (Board) of the District.

Money generated by the bonds can only be used for the purposes that are set out in the full text of the Measure. The Measure states that the money could be used, among other things, to:

- Upgrade school facilities, including classrooms and labs;
- Repair or replace aging facilities;
- Add permanent classrooms and labs;
- Expand Veterans Centers providing services to military veterans and their families; and
- Repair or replace roofs, cooling, plumbing, water, sewer, and electrical systems.

A complete list of projects and allowed expenditures is included within the full text of the Measure. The Board has certified that it has evaluated safety, class size, and information technology needs in developing its project list.

Under the California Constitution, money generated by community college bond measures cannot be used for teacher and administrator salaries or pensions, or other operating expenses. The California Constitution requires the District to hire an independent professional to annually examine how the District is spending bond money. State law also requires the District to establish an independent citizens' oversight committee to ensure that money generated by the bonds is used only for the projects included in the Measure.

The bonds will be repaid from taxes collected on property in the District. The amount of the tax paid will depend on the assessed value of the property. The District's best estimate of the highest tax rate to be collected to repay the bonds is \$25 per \$100,000 of the assessed value of the property. The District's best estimate of the total amount, including interest, that will be required to repay the bonds is \$472,870,026. The District estimates that the final year that taxes will be collected to repay the bonds is fiscal year 2052-2053.

A "yes" vote is a vote to authorize the issuance of the bonds in the amount of \$248,000,000 to be repaid by collection of taxes on property located within the District.

A "no" vote is a vote to not authorize the issuance of the bonds.

James R. Williams
County Counsel

By: /s/ Danielle L. Goldstein
Deputy County Counsel

COMPLETE TEXT OF MEASURE X

GAVILAN JOINT COMMUNITY COLLEGE DISTRICT

AFFORDABLE EDUCATION, JOB TRAINING, COLLEGE TRANSFER, AND VETERAN SUPPORT MEASURE ELECTION NOVEMBER 6, 2018

"GAVILAN COLLEGE AFFORDABLE EDUCATION/JOB TRAINING/COLLEGE TRANSFER/VETERANS SUPPORT MEASURE. To upgrade classrooms, science, healthcare, technology, engineering/career training labs, repair aging facilities, shall Gavilan Joint Community College District's measure authorizing \$248,000,000 in bonds at legal rates, levying 2 cents/\$100 assessed value, \$14,000,000 annually while bonds are outstanding, constructing, acquiring, repairing classrooms, facilities, sites/equipment, Veterans Center, adding a campus in San Benito County, improving local access to affordable education, with citizen oversight, all money locally controlled, be approved?"

PROJECTS

The Board of Trustees of the Gavilan Joint Community College District, to be responsive to the needs of its community, evaluated Gavilan College's urgent and critical facility needs, and its capacity to provide students, and **Veterans** with support and **job training** facilities, an **affordable education** and prepare them for success in **college** and **careers**. **Job training** facilities, safety issues, class size and offerings, and science, math, engineering and technology were each considered in developing the types of projects to be funded by this measure, as such are described below. In developing the types of projects, basic repairs (such as repairing **leaky roofs**, old rusty plumbing, faulty electrical systems, improving **access for disabled students**), job training facilities, **student 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, Gavilan College would be unable to remain competitive in preparing students for **jobs** in high demand, local industries and **university transfer**.

The Board of Trustees determines that **Gavilan College MUST:**

- Provide an affordable local alternative to four-year universities for local students and returning veterans;**
- Provide job training classrooms and vocational facilities for science, math, engineering, technology, computer science and cyber security;**
- Expand the Veterans' Center and provide job training, job placement, counseling, and support services to military veterans and their families;**
- Ensure that Gavilan College expands access so more students can enroll in high-quality and affordable education programs to help students transfer to a four year college and receive career training in growing local industries; and**
- ALL MONEY RAISED BY THIS MEASURE WILL BE**

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LOCALLY CONTROLLED TO SUPPORT OUR COMMUNITY COLLEGE AND STUDENTS AND CANNOT BE TAKEN BY THE STATE.

The following types of projects which are authorized to be undertaken at Gavilan College, include:

PROVIDE AN AFFORDABLE EDUCATION IN A SAFE ENVIRONMENT FOR LOCAL STUDENTS AND VETERANS:

Basic Upgrade Projects Needed To Allow Gavilan College to Provide Job Training and Vocational Programs In Healthcare, Police, Firefighting, and Skilled High Tech Workforce

Goals and Purposes: Because the cost of attending the University of California and State University systems has become so expensive, many more students are starting their education at community colleges. This measure will ensure local students have access to an affordable, high-quality education here in our community.

We need to upgrade our classrooms, labs, and career training facilities to current industry standards so our students can compete for today's high-skilled jobs.

- Repair or replace leaky roofs, old rusty plumbing, and faulty electrical systems.
- Improve access to college facilities for people with disabilities.
- Improve college safety and security systems, including fire security and sprinklers, safety lighting, security door locks, security cameras and emergency communication systems.
- Upgrade classrooms and labs to help local students complete first two years of college affordability, and transfer to the Cal-State or UC systems.
- Renovate the aging college library to meet modern standards for technology and research.

PROVIDE JOB TRAINING AND COLLEGE TRANSFER OPPORTUNITIES:

Classroom and Program Improvements To Help Local Students and Veterans Transfer to Four-Year Universities and Be Trained For Good Paying, Modern Careers

Goal and Purpose: Our local community colleges ensure that lower and middle-income students who can't afford the high price of a university still have an opportunity to succeed in college and careers. This measure will provide the affordable, high quality education that all students deserve.

Our community is in the shadow of Silicon Valley. Gavilan College provides an affordable gateway for local students to acquire the

COMPLETE TEXT OF MEASURE X-Continued

skills they need to compete for careers in the world's fastest-growing industries. We need to invest in Gavilan so our kids have the opportunity to share in the bright future being created just a few miles away.

- Expand vocational training facilities/programs for disabled students.
- Upgrade science, computer and technology labs; construct new permanent buildings.
- Expand career and academic counseling facilities/resources for students.
- Upgrade job training and vocational classrooms for computer science and cyber security.
- Repair deteriorating classrooms and facilities.
- Upgrade classrooms, labs and career training facilities for science, engineering and technology.
- Add permanent classrooms and labs in San Benito County.
- Add permanent classrooms and labs on the District owned 15 acre parcel known as the Coyote Valley Campus to offer additional classes, certificated programs and degrees.
- Expand Veterans Centers which provide job training, job placement, counseling, and support services to military veterans and their families.
- Upgrade science centers and wet labs to allow for current instruction in healthcare, biology, chemistry and physical sciences.

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 and the refinancing of outstanding lease obligations, 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: renovate student and staff restrooms; replace aging electrical and plumbing systems; upgrade central plant for heating, ventilation, air conditioning and water treatment improvements; repair and replace heating, ventilation and air conditioning systems; acquire vehicles; repair and replace worn-out and leaky roofs, windows, walls doors, drinking fountains and pedestrian bridge; replace or remove outdated buildings and classrooms and construct new classrooms and support buildings; install or replace faulty wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade facilities to meet current earthquake safety and environmental sustainability and State compliance standards; repair and replace fire alarms, emergency communications, universal access and

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security systems; upgrade classrooms; build new facilities, including, science, technology, engineering and math (STEM) building, student services center, library/learning resource center, visual and performing arts complex; major renovation/construction projects include the construction, expansion, upgrade or reconfiguration of facilities including a new campus on District owned property in San Benito County; upgrade, resurface and recondition existing parking lots, roads and sidewalks; repair, upgrade and install interior and exterior lighting systems; replace water lines and valves and sewer lines; construct, upgrade, acquire or expand multi-use classrooms and labs, swing space; improve water conservation and energy efficiency; acquire land; 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 to reflect wayfinding master plan, bells and clocks; demolition of unsafe facilities; install or upgrade new security systems, such as security (surveillance) cameras, burglar alarms, handrails, outdoor lighting, fencing, landscaping, gates, gateways and classroom door locks; replace sewer lines and improve drainage systems to prevent flooding; upgrade roadway and pedestrian paths and pathways and bridges for improved safety and access for emergency vehicles, site parking, utilities and grounds. The upgrading of technology infrastructure includes, but is not limited to, upgrading classroom technology, expanding wireless internet access throughout both college campuses, 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 and funding of a technology endowment.

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. The allocation of bond proceeds may be affected by 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 occur 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

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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.

FISCAL ACCOUNTABILITY

This bond measure has strict accountability requirements including:

1. All money will benefit Gavilan Joint Community College District campuses and CANNOT BE TAKEN BY THE STATE.

2. NO MONEY can be used for ADMINISTRATOR SALARIES or pensions.

3. Require TAXPAYER OVERSIGHT and yearly audits to ensure all funds are used locally, effectively and as promised.

4. NO ADMINISTRATOR 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.

5. 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 PERFORMED 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.

TAX RATE STATEMENT

An election will be held in the Gavilan Joint Community College District (the "District") on November 6, 2018, to authorize the sale of up to \$248,000,000 in bonds of the District for the projects described in the bond measure. If such bonds are authorized, the District expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable only from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with sections 9400-9404 of the California Elections Code. Such information is based upon assessed valuations available from official sources and projections based upon experience within the District, and other demonstrable factors. Based upon the foregoing, the following information is provided:

(1) The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on estimated assessed valuations which are projected based on experience within the District or other demonstrable factors, is \$0.023 per \$100 of assessed valuation (\$23 per \$100,000 of assessed valuation). The final fiscal year in which the tax is anticipated to be collected is Fiscal Year 2052-53.

(2) The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bond issue, based on estimated assessed valuations which are projected based on experience within the District or other demonstrable factors, is \$0.025 per \$100 of assessed valuation (\$25 per \$100,000 of assessed valuation). The estimated year in which that rate would apply is Fiscal Year 2019-20.

(3) The best estimate from official sources 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 \$472,870,026 (\$248,000,000 of principal and \$224,870,026 of interest). This estimate is based on assumptions regarding future interest rates and the term, timing, structure and amount of each series of bonds.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the District or any other overlapping public agency.

Voters should note that the estimated tax rate is based on the ASSESSED VALUE of taxable property on official tax rolls of Santa Clara County and San Benito County, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable

TAX RATE STATEMENT-Continued

property within the District as determined by the Santa Clara County Assessor and the San Benito County Assessor in the annual assessment and the equalization process.

Dated: 7/24/18

/s/ Frederick E. Harris
Vice President, Administrative Services
Gavilan Joint Community College District

ARGUMENT IN FAVOR OF MEASURE X

Vote Yes on Measure X to ensure Gavilan students receive a high-quality, affordable education.

Gavilan Joint Community College District has provided an excellent, affordable education to our community for generations. Local students who struggle with the high costs of 4-year colleges and universities rely on Gavilan College to prepare them for future career success.

Measure X ensures our schools have funding to make necessary repairs and upgrades to our school facilities, upgrade classrooms and technology and ensure options for transferring to UC and Cal State systems. Investing in Gavilan College with a Yes on Measure X vote invests in educating our community: from the healthcare professionals that serve our medical needs to the police and firefighters that keep us safe.

Vote Yes on Measure X to expand job training and necessary classroom and technology modernizations, so we can educate future workforce professionals in safe and modern 21st-century learning environments.

Vote Yes on Measure X:

- Repair or replace leaky roofs, old rusty plumbing and faulty electrical systems
- Upgrade and add classrooms, labs and career training facilities for science, math, engineering and technology
- Upgrade and add classrooms and labs to help students transfer to UC and Cal State systems
- Expand the Veterans' Center which provides job training and placement, counseling and support services to military veterans and their families
- Improve access for students with disabilities
- Improve student safety and campus security systems
- Renovate the aging College library to meet modern standards for technology and research

Fiscal Accountability and Oversight

Every dollar raised locally will stay in the community and cannot be taken away by the State. A Citizens' Oversight Committee and a project list are required so that the community knows exactly how and when the money is spent.

Join community leaders, students, staff and residents and invest in Gavilan College by voting Yes on X.

/s/ Roland Velasco
Mayor, City of Gilroy

/s/ Cecelia Ponzini
Morgan Hill Community Foundation Philanthropy Award Winner

/s/ Jill K. Fortino
Teacher, Gilroy

/s/ John T. Horner
President & CEO, Morgan Hill Chamber of Commerce

/s/ Jaime Rosso
Business Owner

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE X

In 2004, voters passed a \$108,000,000 bond measure.

The proponents then said, it was to fix aging classrooms. Now, just 14 years later, they need to "upgrade classrooms".

Why does a classroom need to be upgraded every 14 years? Do they need new chairs every 14 years? New whiteboards every 14 years?

In 2004 they paid for "computer replacement" and now they need to "upgrade technology" while undoubtedly still paying for those 2004 computers that have long been obsoleted.

In 4 or 5 years, this new technology will also be obsolete, but **you'll continue to pay for it for decades to come.**

Who in their right mind buys a computer, or any technology, on credit and then pays for it over 25-30 years of principle and interest? Insane right?

Answer: insanity is voting for Measure X.

Now they want to "repair aging facilities" and in 2004 it was "renovate aging classrooms".

They want to upgrade "science labs" just like they did in 2004. Deja Vous all over again!!!

And according to this web site:

<http://www.gavilan.edu/administration/Bond/Measure%20E.php>

Gavilan College is still spending money on projects funded in 2004: habitat mitigation (whatever that is) for Coyote Valley & San Benito County and also in progress: "Athletics fields".

If it takes them 14 years to NOT finish projects funded in 2004, how long will it take to finish the projects funded by Measure X?

Let's not find out by voting **NO on Measure X.**

For more information visit our website:

www.SVTaxpayers.org/2018-measure-x

/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

ARGUMENT AGAINST MEASURE X

In 2004, voters in the district passed a \$108M bond measure.

According to proponents then, it was to fix aging classrooms. Now, just 14 years later, they need to "upgrade classrooms".

Why does a classroom need to be upgraded every 14 years? Do they need new chairs every 14 years? New whiteboards every 14 years?

In 2004 they paid for "computer replacement" and now they need to "upgrade technology" while undoubtedly still paying for those 2004 computers that have long been sent to the recycling bin.

In 4 or 5 years, this new technology will also be obsolete, but you'll continue to pay for it for decades to come.

Who in their right mind buys a computer, or any technology, on credit and then pays it off over 25-30 years of principle and interest?

Answer: you do if you vote for Measure X.

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/s/ Mark W.A. Hinkle

President: Silicon Valley Taxpayers Association

/s/ Jennifer Imhoff

Chair, Libertarian Party of Santa Clara County

REBUTTAL TO ARGUMENT AGAINST MEASURE X

Measure X's lone opponents ideologically oppose all community college bond measures. They are certainly entitled to their political philosophy, but they don't live in our community, they don't understand the importance of Gavilan College, and they've misunderstood or mistaken some facts.

The District has a proven track record of spending taxpayers' dollars carefully and responsibly, with independent citizens' oversight committee reports and annual audits to prove it.

The State of California no longer funds Gavilan College facilities. The world has changed dramatically since 2004, and it's simply not possible to prepare students to compete for today's jobs in outdated classrooms and labs.

There is no other source of funding to address these problems—and the longer we wait, the more expensive these improvements will become:

- Repair or replace leaky roofs, old rusty plumbing and faulty electrical systems
- Upgrade and add classrooms, labs and career training facilities for science, math, engineering and technology
- Upgrade and add classrooms and labs to help students transfer to UC and Cal State
- Expand Veterans' Center for job training and placement, counseling and support services to military veterans and their families
- Improve access for students with disabilities
- Improve student safety and campus security systems
- Renovate the aging College library to meet modern standards for technology and research

Gavilan is an essential part of our community, providing students, veterans and workers an affordable, local path to four-year universities and skills needed for good-paying jobs today.

Our community needs Measure X today. Join us in voting YES on X.

/s/ Donald F. Gage

Retired Mayor of Gilroy

/s/ Brianna A. Everett

Associated Students of Gavilan College, Vice President of Community Outreach

/s/ Steve Tate

Mayor of Morgan Hill

/s/ Donna Foster Ruebusch

Retired Educator

/s/ Frank Angelino

Board Chair, Saint Louise Regional Hospital Foundation