

March 21, 2018



**\$70,600,000**  
**Santa Ana College**  
**Improvement District No. 1 of**  
**Rancho Santiago**  
**Community College District**  
(Orange County, California)  
**General Obligation Bonds**  
**Election of 2012, 2017 Series B**

## *Post-Pricing Booklet*

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## Introduction: Issuance by the Numbers

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**3.14**

The low **financing percentage rate** achieved by the District due to its strong credit rating and the substantial investor demand generated for the sale.

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**1.49**

The **repayment ratio** that the District achieved on its issuance, representing 49¢ of interest for every \$1 borrowed.

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**0**

The number of Capital Appreciation Bonds (**CABs**) that were issued as part of this issuance.

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**483**

The number in **millions of dollars** that Piper Jaffray procured in orders from financial institutions and other investors for the \$70.6 million in bonds for sale.

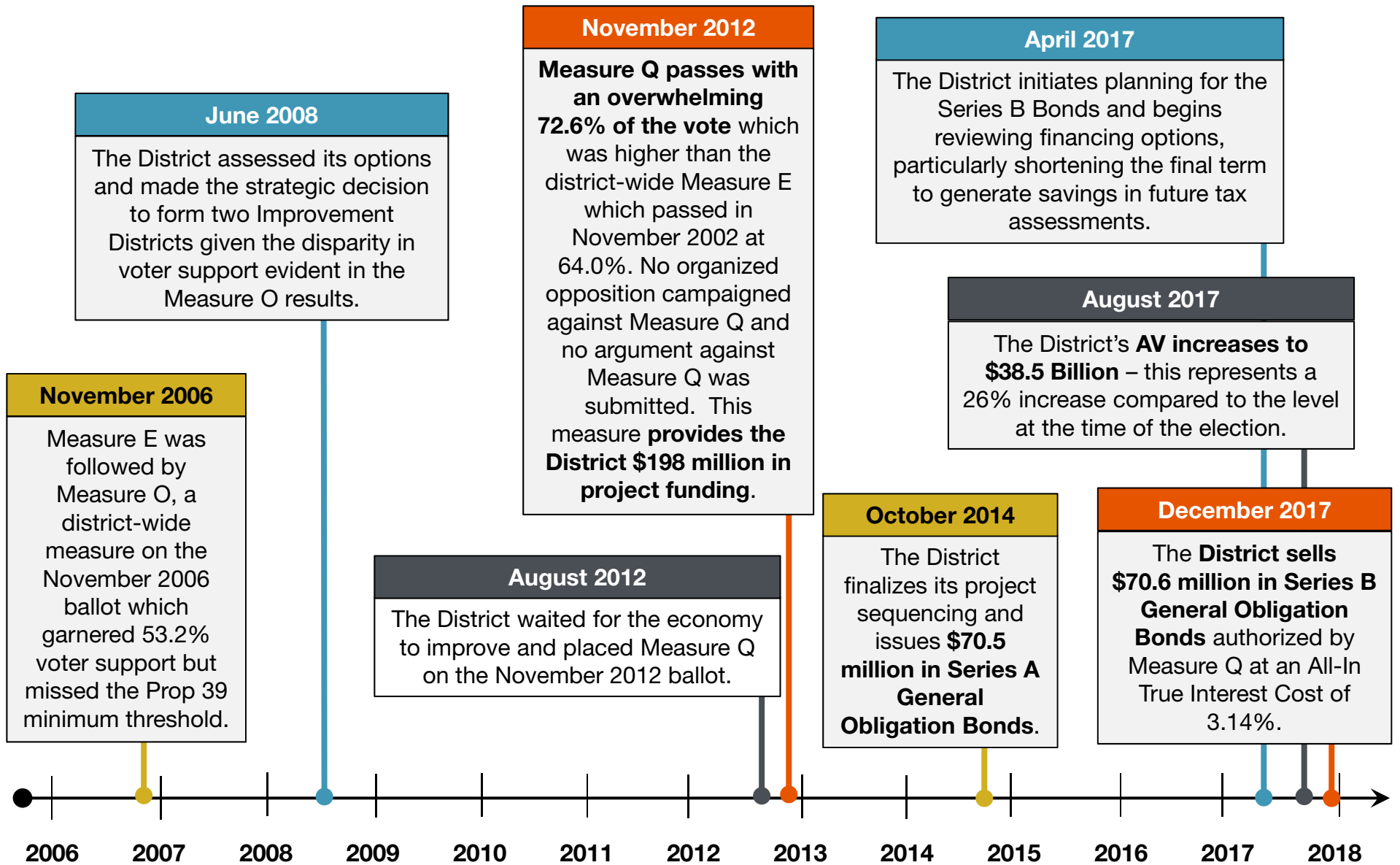
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**61**

The number of investors that submitted orders for the District's Bonds.

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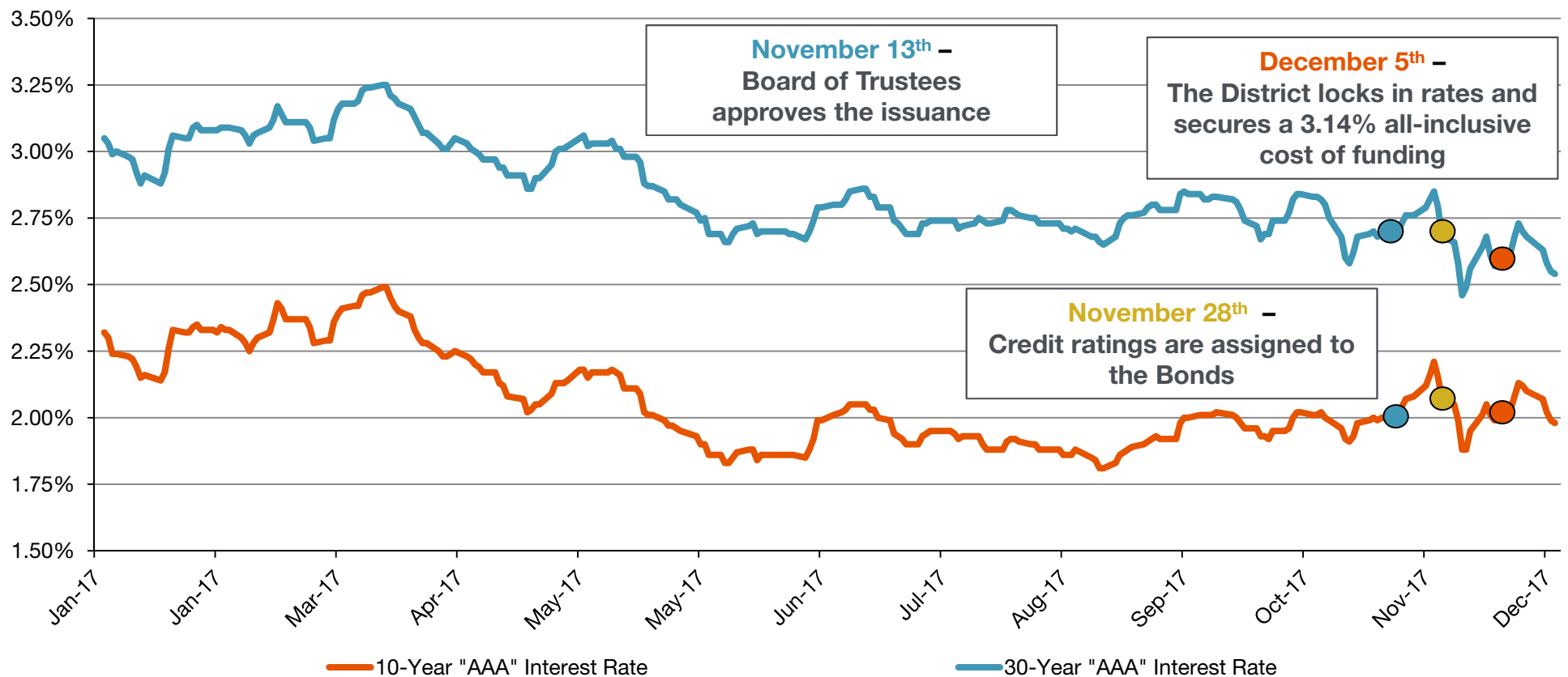
# History of the Measure Q Bond Authorization



## Market Timing of the Issuance

- The key benchmark rates began declining in March given the lack of support for the Trump Administration tax plan which included elimination of tax exemption on locally issued bonds such as those issued by the District.
- The bond issuance was well timed – the Federal Open Market Committee (FOMC) had voted to maintain the federal funds rate in a target range of 1 to 1-1/4 percent just prior to the sale.

**Change in Benchmark Interest Rates During Calendar Year 2017**



# Summary of the Orders Received

**1 Maturity Amounts** – The District’s offering was front-loaded with 25% of the bonds maturing in the first 3 years. This structure provides a lower overall rate and enhances long-term tax rate capacity.

**2 Subscription Levels** – Piper Jaffray solicited orders from investors at the yields illustrated which resulted in \$483 million in orders being placed for the \$70.6 million in bonds offered for sale. This ratio, or subscription level, ranged from 3.0 times to as much as 9.7 times depending upon the maturity referenced. This is a testament to the quality of the District’s bonds as well as the marketing and sales effort of Piper Jaffray.

**3 Lower Yields** – The level of interest in the offering afforded Piper Jaffray the opportunity to lower the yields for the District on every maturity.

Maturity	Maturity Amount (\$000's)	Subscription at Time of Proposal			Piper Jaffray Lowers Yields
		Total Priority (\$000's)	Subscription Levels	Yield to Call Levels	
2018	\$5,915	\$17,995	3.04x	1.19%	3 bps
2019	\$6,010	\$52,625	8.76x	1.40%	10 bps
2020	\$5,080	\$33,700	6.63x	1.49%	6 bps
2021	\$995	\$6,640	6.67x	1.55%	6 bps
2022	\$880	\$4,970	5.65x	1.64%	5 bps
2023	\$1,010	\$8,965	8.88x	1.68%	8 bps
2024	\$1,155	\$9,815	8.50x	1.74%	8 bps
2025	\$1,305	\$12,755	9.77x	1.79%	9 bps
2026	\$1,465	\$11,620	7.93x	1.89%	6 bps
2027	\$1,640	\$13,475	8.22x	1.96%	10 bps
2028	\$1,825	\$11,225	6.15x	2.21%	5 bps
2029	\$2,000	\$11,860	5.93x	2.42%	7 bps
2030	\$2,185	\$9,090	4.16x	2.53%	6 bps
2031	\$2,385	\$10,350	4.34x	2.62%	5 bps
2032	\$2,595	\$13,430	5.18x	2.69%	7 bps
2033	\$2,820	\$12,935	4.59x	2.77%	7 bps
2034	\$3,055	\$12,610	4.13x	3.12%	7 bps
2035	\$3,270	\$25,700	7.86x	3.14%	10 bps
2036	\$3,495	\$21,730	6.22x	3.18%	9 bps
2037	\$3,730	\$20,570	5.51x	3.22%	8 bps
2038					
2039					
2040					
2041	\$17,785	\$161,065	9.06x	3.00%	8 bps
<b>Total:</b>	<b>\$70,600</b>	<b>\$483,125</b>	<b>6.84x</b>		

## Leading Investors in the Bonds

- A significant number of Tier I financial institutions approved the District's credit and invested.

<p>Vanguard Funds</p> <p style="text-align: center;">\$7,330,000</p> 	<p>Boston Company</p> <p style="text-align: center;">\$3,925,000</p> 	<p>Whitehaven Asset Management</p> <p style="text-align: center;">\$3,750,000</p> 	<p>Mackay Shields LLC</p> <p style="text-align: center;">\$3,500,000</p> 	<p>Spring Creek Capital</p> <p style="text-align: center;">\$3,300,000</p> 
<p>Blackrock SMA</p> <p style="text-align: center;">\$3,075,000</p> 	<p>Nuveen Asset Management</p> <p style="text-align: center;">\$2,985,000</p> 	<p>Concordia Asset Management</p> <p style="text-align: center;">\$2,850,000</p> 	<p>Bank of America Capital Management</p> <p style="text-align: center;">\$2,590,000</p> 	<p>Deutsche Bank</p> <p style="text-align: center;">\$2,500,000</p> 
<p>City National Bank of Beverly Hills of California</p> <p style="text-align: center;">\$2,055,000</p> 	<p>Old Orchard Capital Mgmt LP</p> <p style="text-align: center;">\$2,050,000</p> 	<p>Capital Research</p> <p style="text-align: center;">\$1,975,000</p> 	<p>Offitbank</p> <p style="text-align: center;">\$1,890,000</p> 	<p>Wells Fargo Asset Management</p> <p style="text-align: center;">\$1,795,000</p> 
<p>Breckenridge</p> <p style="text-align: center;">\$1,695,000</p> 	<p>Northern Trust</p> <p style="text-align: center;">\$1,570,000</p> 	<p>JP Morgan</p> <p style="text-align: center;">\$1,565,000</p> 	<p>Goldman Asset Management</p> <p style="text-align: center;">\$1,300,000</p> 	<p>16th Amendment Advisors</p> <p style="text-align: center;">\$1,250,000</p> 

# Financing Outcomes

- The financing was structured to take advantage of the District’s large assessed valuation (AV) and plan for future issuances:
  - There is \$17 million of the Bonds, or **25% of the issuance, scheduled to be repaid in the first three years without breaching the projected tax rate** threshold.
  - The balance of the principal is scheduled for repayment over 23 years to ensure there is ample tax rate capacity for the future issues.

The Series B Bonds	
Par Amount Issued	
- Current Interest Bonds.....	\$70,600,000
- Capital Appreciation Bonds.....	Nil
Debt Service to Maturity.....	\$105,072,597
Repayment Ratio.....	1.49 : 1
All-In Interest Rate.....	3.14%
Year of Final Maturity.....	2041

