



Town of Fairfax



Discussion on Bond Measure for Road Repairs

by

Urban Futures, Inc.

January 10, 2024



1470 Maria Lane, Ste. 315 - Walnut Creek, CA 94586



Introduction

Meeting your financial challenges and saving you money

Town of Fairfax

- ❖ UFI is a full-service financial advisory firm that serves California
- ❖ The leading municipal advisor since 2011 based on number of financings
- ❖ Our staff has over 50 years experience providing honest advice and the highest level of service
- ❖ Relevant experience includes:
 - Albany USD
 - City of Albany
 - City of Alameda
 - Bolinas-Stinson ESD
 - Chico RPD
 - Coalinga-Huron RPD
 - Fair Oaks RPD
 - Fulton El Camino RPD
 - Kentfield ESD
 - Lagunitas ESD
 - Mill Valley ESD
 - Miller Creek ESD
 - Novato USD
 - Oakland USD
 - City of Oakland
 - Orangevale RPD
 - Pleasant Hill RPD
 - Reed ESD
 - San Rafael City Schools
 - South Francisco USD
 - City of San Francisco
 - Tamalpais CSD





2022 Bond Program Successes

Very strong support for general obligation bonds in 2022

Town of Fairfax

- ❖ Statewide, there were 120 school bond elections with 87 successes, or 72.5%
- ❖ Urban Futures worked on 34 successful bond measures in June and November 2022; over 40% of all successful bond measures
- ❖ 38% of successful measures received over two-thirds voter support

June 2022 UFI G.O. Bond Successes		
District	County	Amount ⁽¹⁾
Fremont HSD	Santa Clara	\$275.00
Hillsborough SD	San Mateo	\$140.00
Mill Valley SD	Marin	\$194.00
Muroc USD	San Bernardino	\$21.00
San Rafael ESD	Marin	\$152.00
San Rafael HSD	Marin	\$216.00
Westmorland ESD	Imperial	\$3.75
Westmorland ESD	Imperial	\$3.75

⁽¹⁾ In Millions

Source: Urban Futures, Inc.

November 2022 UFI G.O. Bond Successes		
District	County	Amount ⁽¹⁾
Buellton ESD	Santa Barbara	\$8.80
Calistoga USD	Napa	\$41.00
Carmichael RPD	Sacramento	\$31.90
Coalinga-Huron JUSD	Fresno	\$39.20
El Centro ESD "C"	Imperial	\$17.00
El Centro ESD "E"	Imperial	\$18.00
Fairfield-Suisun USD	Solano	\$249.60
Farmersville USD	Tulare	\$8.60
Gridley USD	Butte	\$16.30
Guadalupe ESD "V"	Santa Barbara	\$8.50
Guadalupe ESD "W"	Santa Barbara	\$8.50
Kenwood ESD	Sonoma	\$18.00
La Honda Pescadero USD	San Mateo	\$15.00
Mupu ESD "J"	Ventura	\$0.80
Mupu ESD "K"	Ventura	\$0.80
Orange Center ESD	Fresno	\$6.00
Rio ESD	Ventura	\$72.00
San Luis Coastal USD	San Luis Obispo	\$349.00
Santa Rosa ESD	Sonoma	\$125.00
Santa Rosa HSD	Sonoma	\$398.00
Sequoia HSD	San Mateo	\$591.50
South San Francisco USD	San Mateo	\$436.00
Sunol Glen USD	Alameda	\$10.90
Ventura USD	Ventura	\$434.50
Wheatland HSD "P"	Yuba	\$16.00
Walnut Creek ESD	Contra Costa	\$134.00



Sales Tax Measure

Town can generate \$5.5 million with a 0.25% Sales Tax Measure

Town of Fairfax

- ❖ The Town of Fairfax's current sales tax rate is 9.00%, and the cap for Marin County is currently 9.25%, which means that Fairfax has remaining capacity of 0.25%.
- ❖ In 2016, Measure C extended the 0.50% sales tax and added another 0.25% for 10 years.
- ❖ In 2022, the Town received approximately \$1 million in Measure C revenues; using that as a proxy, the Town could generate \$355,000 for 0.25% of additional sales tax.
- ❖ If voters approve to extend the current 0.75% sales tax without a sunset date and an additional 0.25% sales tax measure with no sunset, **the Town could issue 30-year Lease Revenue Bonds but would only generate an estimated \$5.5 million in proceeds.**



Town Bond & Assessed Value History

Town's tax base has grown by 31% since 2019

Town of Fairfax

Town of Fairfax Historical Assessed Value

Fiscal Year Ending	Total Value	% Change
2019	\$1,520,759,239	
2020	\$1,604,492,916	5.51%
2021	\$1,682,412,066	4.86%
2022	\$1,754,373,238	4.28%
2023	\$1,870,263,072	6.61%
2024	\$1,989,705,378	6.39%
Average		5.53%

Source: California Municipal Statistics

- ❖ Fairfax voters passed a \$6.8 million bond measure in 1999 at more than two-thirds approval
- ❖ The Town last refinanced bonds from the 1999 election in 2016
- ❖ The 2008 General Obligation Bonds matured on 8/1/2024; the 2016 Bonds and the 2012 Bonds mature on 8/1/2027
- ❖ 2023-24 tax rate is \$22.50 per \$100,000 of assessed value

- ❖ The Town's 2023-24 assessed value is approximately \$2.0 billion; six-year average assessed value growth rate is 5.53%



General Obligation Bond Proceeds

Town can generate between \$13.7 million and \$36.5 million

Town of Fairfax

Town of Fairfax Bond Proceeds at Varying Tax Rates ⁽¹⁾				
Tax Rate per \$100,000 of AV	Series A 2025	Series B 2027	Series C 2029	Total Bond Proceeds
\$22.50	\$4,600,000	\$4,400,000	\$4,700,000	\$13,700,000
\$30.00	\$6,100,000	\$5,900,000	\$6,300,000	\$18,300,000
\$45.00	\$9,200,000	\$8,800,000	\$9,400,000	\$27,400,000
\$60.00	\$12,200,000	\$11,800,000	\$12,500,000	\$36,500,000

(1) Assumes AV growth of 3.50% and 30-year bond terms; Preliminary – Subject to change
Source: Urban Futures, Inc.

- ❖ With projected annual assessed value growth of 3.50%, the Town of Fairfax can generate up to \$36.5 million
- ❖ At more aggressive growth rates or a longer bond program, the Town could generate up to \$42.0 million
- ❖ Depending on tax rate selected and assessed value assumptions, the Town can generate significant proceeds



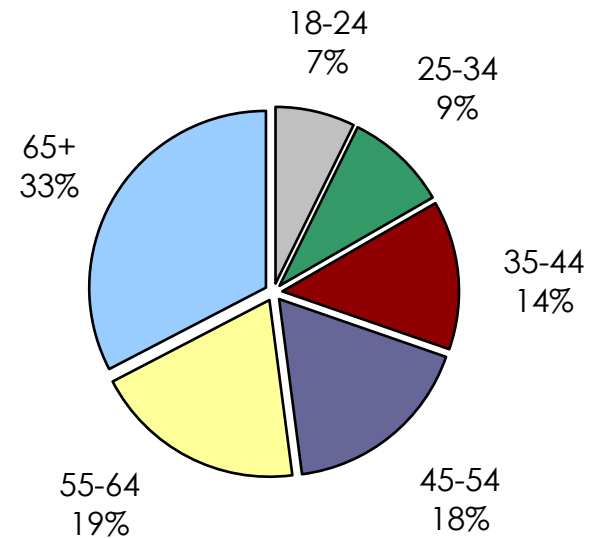
Voter Demographics

Voter demographics are favorable to bond programs

Town of Fairfax

- ❖ The Town has 5,863 total voters
- ❖ Majority of voters are Democrats (72%)
- ❖ 92% of voters vote-by-mail
- ❖ 52% of voters are ages 55 and older

Voter Age Demographics



Town Voter Demographics		
	<u>Total</u>	<u>Percent</u>
Republicans	285	5%
Democrats	4,240	72%
Other	1,338	23%
VBM Voters	5,368	92%

Source: Political Data



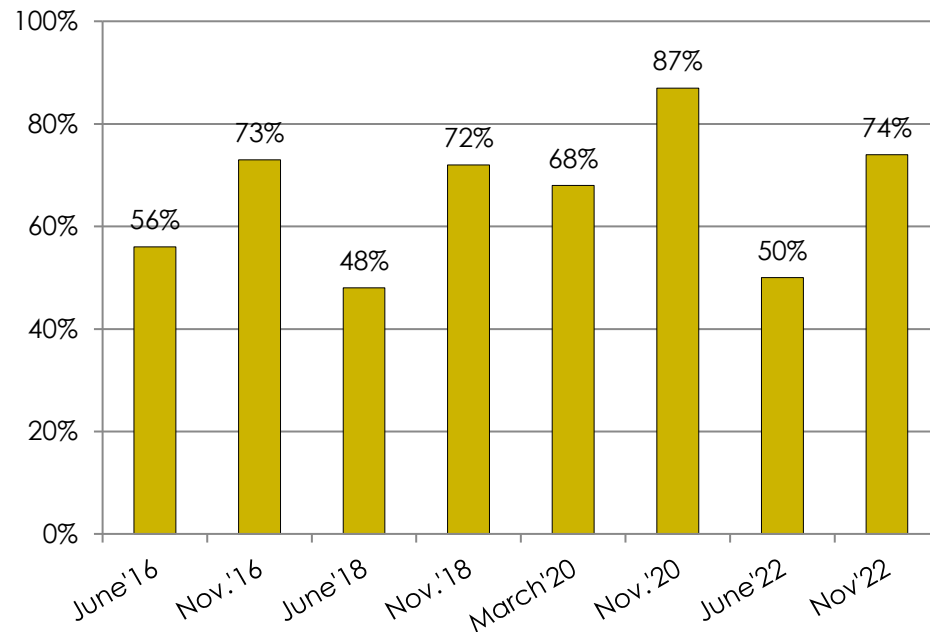
Voter Turnout

Turnout can have a significant bearing on success

Town of Fairfax

- ❖ Historical voter turnout has ranged from a low of 48% in June of 2018 to a high of 87% in November 2020
- ❖ Voter turnout varies considerably by election date and type of election and must be considered as different voters show up for different elections
- ❖ November 2024 turnout is estimated to be 90%

Recent Town Voter Turnouts



Source: Political Data



November 2024 Timeline

Following these steps is key to the Town's success

Town of Fairfax

Task	Responsible Party	Date
Update needs list/master plan	Town	Ongoing
Town Council Meeting - Approve "exploring" feasibility of a Bond	Town	January
Prepare and Conduct Survey	Consultant	February
Town Council Meeting – Survey Results Presentation	Consultant	March
Initiate public information program, speaking with elected officials, stakeholders, staff, community service groups to discuss proposed tax measure	Town	March-June
Prepare Resolution for Calling Election, including Ballot Language, and Project List to reflect community feedback	Consultant/ Attorneys	April
Finalize Capital and Financing Plan based on Community Outreach	Consultant	June
Town Council Meeting – Adopt Resolution Calling Election	Town	June-July
Deadline to Submit Resolution Calling Election	Town	August
Prepare and Submit Argument in Favor of Measure	Consultant/Town	August
Form campaign committee and conduct campaign kick-off meeting	Campaign Committee	August
Run Campaign	Campaign Committee	August– November
Election Day		November 5, 2024

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