

## **MISD Bond 2016 – Commonly Asked Questions**

### **General Questions**

#### **What is a Bond?**

In the same way homeowners borrow money in the form of a mortgage to finance the purchase of a home, a school district borrows money in the form of bonds to finance the design, construction, expansion and renovation of schools.

#### **How can bond funds be used?**

Bond funds can be used to pay for new buildings, additions and renovations to existing facilities, land acquisition, technology equipment and infrastructure and equipment for new or existing buildings. Bonds cannot be used for salaries or operating costs such as utility bills, supplies, building maintenance, fuel and insurance.

#### **How do you determine which campuses are impacted by a bond program?**

McKinney ISD hires a third-party to complete an exhaustive facilities needs assessment. The assessment studies everything from HVAC (heating and cooling) systems and electrical systems to roofs and lighting at schools. In addition, the district reviews demographic projections for future growth and studies current enrollment and capacity of schools and classrooms. The district also studies safety and security items at each campus. Finally, an over 100-person Project Kids advisory committee comprised of teachers, parents, students, and community members reviews the projects and makes a recommendation to the Board of Trustees for consideration. The McKinney ISD Board of Trustees unanimously approved the projects recommended by Project Kids for the 2016 Bond.

#### **Why have McKinney ISD and neighboring school districts generally held single propositions versus breaking the items up into multiple propositions or options?**

The projects presented in the 2016 Bond Program impact students throughout the district and McKinney ISD does not assign more or less value to a single project, campus, or student program. The facilities needs assessment, Project Kids Committee, and Board of Trustees have determined that all of the included items are of importance.

#### **Who is eligible to vote in this election?**

Any registered voter that resides within the McKinney ISD boundaries can vote in this election. Regardless of whether you rent a home or apartment, or own your place of residence, you can vote.

#### **I am 65 years or older and have filed my exemption for a tax freeze, will my tax rate go down as well if the tax rate is reduced?**

McKinney ISD property taxes are frozen and cannot be increased for qualifying senior citizens who have filed their homestead and Over 65 exemption application with the Collin County Appraisal District. A reduction in the MISD Tax Rate could reduce taxes payable, but the tax amount will never exceed the Over 65 frozen tax rate. For information about homestead and Over 65 exemptions please contact the Collin County

Appraisal District.

**Can I still register to vote in the election?**

The deadline for voter registration is April 7. If you are not registered to vote by this deadline, then you are not eligible to vote in this election. You can pick up a registration card from your local post office, or you can register online at <http://www.sos.state.tx.us/elections/voter/reqvr.shtml>

**After I have registered, when will I receive my Voter Registration Certificate?**

You should receive a Voter Registration Certificate within 30 days. On Election Day, please bring your certificate to your local polling place if you have it. However, all that is required is a valid driver's license.

**What if voters reject the bond?**

Students and staff members would continue to use facilities and technology that were not designed for the current usage or enrollment.

**Stadium and Event Center Questions**

**What were the primary reasons for recommending a Stadium and Event Center versus just a standalone stadium?**

McKinney ISD studied multi-purpose facilities throughout the State of Texas and in neighboring districts when considering the design of a proposed stadium and event center. While the stadium portion of the facility is a flexible space that can be utilized for everything from 5A and 6A band competitions to football and soccer games, the addition of a community room provides a flexible space that currently does not exist within McKinney ISD. McKinney ISD and parent organizations spend over \$150,000 per year to lease space for student events and professional development. The McKinney ISD Stadium and Event Center is a facility that can be used every day of the week by teachers, staff, parents, students and the community.

**What are the primary reasons for choosing the 121/Hardin/McKinney Ranch location for the site?**

This site was chosen as an ideal site for the stadium for several reasons. Accessibility to both HWY 121 and HWY 75 (Central Expressway) was a significant factor. The ingress and egress (access), a future expansion of Hardin Road to a six-lane divided road, and an expanded McKinney Ranch Road were all major factors in terms of easy access for fans. An important consideration was the fact that the district already owned the land, and considered the 121/Hardin/McKinney Ranch site for a variety of district purposes before determining the stadium and event center to be the best use of the land. In addition, almost all of the teams in the UIL District are south or west of McKinney ISD, so the site provides accessibility for both home and visiting traffic. For more information about McKinney ISD's UIL District click here: <http://www.mckinneyisd.net/news/press/default.asp?Display=796>

**If the bond referendum is approved, when will the Stadium and Event Center open?**

If approved, the Stadium and Event Center would open sometime in the Fall of 2017.

**Will McKinney ISD continue to use Ron Poe Stadium?**

In the same way Frisco ISD and Plano ISD utilize multiple stadiums the McKinney ISD long-range facilities plan has always included the use of Ron Poe Stadium, in addition to a new stadium. For this reason, McKinney ISD has continued to invest in the facility through renovations, knowing the district would be scheduling events for three high schools and five middle schools, and as many as six high schools and ten middle schools in the future.

**What student groups or organizations will utilize the Stadium and Event Center?**

The stadium will be utilized by a broad range of student programs, including: Band, football, soccer, drill teams, cheer, student spirit groups, managers, trainers, choir, broadcast journalism and more. The event center will be used for fine arts and athletic banquets (over 50 per year), student and teacher recognition, professional development, student and parent organization meetings, PTA/PTO/Booster Club functions, class reunions, community events and more.

**Will McKinney ISD be utilizing the same architect or construction company used by Allen ISD to build Allen's Eagle Stadium?**

No. McKinney ISD has selected Stantec Architecture for the design of the stadium and event center and Manhattan Construction to build the stadium and event center. Click here to learn more about Stantec and Manhattan:

<http://www.stantec.com/our-work/disciplines/architecture.html>

<http://www.manhattanconstructiongroup.com/manhattan-construction/projects?ptype=7>

**What are some of the major differences in the new stadium versus Ron Poe Stadium?**

Seating capacity will go from 7,000 to 12,000 seats and parking from 341 to approximately 2,400 parking spaces. Currently, home fans face west and look directly into the sun during games, the home side fans will face east in the new stadium. Primary access to Ron Poe Stadium is via two-lane White Avenue. At the proposed new stadium fans will access the stadium from Highway 121, an expanded 6-lane divided Hardin Road, and McKinney Ranch Road. The new stadium will include an event room that can be utilized every day of the week for student, parent, teacher, and community functions. The site size also affords the opportunity for better ingress/egress to the stadium as compared to Ron Poe Stadium. Both stadiums will be utilized for the next 50-60 years to serve up to five or six 3,000-student high schools.

**Financial Questions**

**What is the term length of the bonds used by McKinney ISD, and how does that compare to other school districts?**

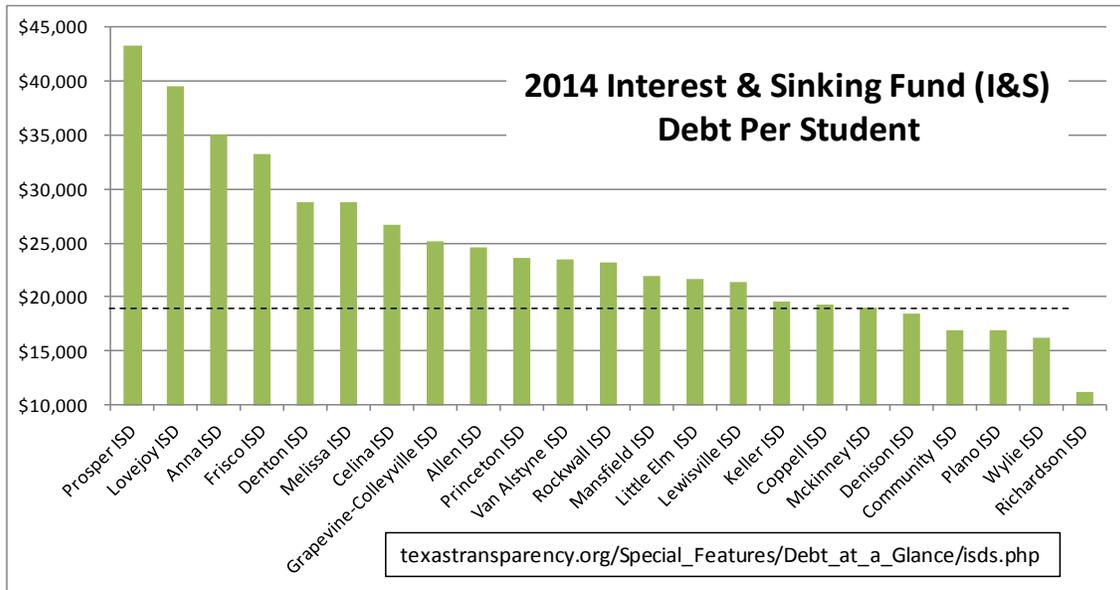
While some districts structure bonds over a 30 or 35-year period, much like a 30-year

mortgage, **McKinney ISD bonds are structured with annual principal and interest payments over a 25-year period.** Over the years, this strategy has enabled the district to save millions of dollars in interest payments. The One to the World laptop initiative at high schools are financed using shorter-term five-year bonds.

**How can McKinney ISD lower the tax rate while assuming new projects or debt?**

The primary reason is that the amount of debt the district would be taking on is less than the amount the district has retired or paid off. The combination of an increase in the tax base and the retirement of old debt affords the opportunity to decrease the tax rate while at the same time addressing the renovations, construction of new facilities, and campus upgrades. In addition, the district has saved millions of dollars over the past several years through refunding debt (refinancing) in order to take advantage of lower interest rates. It’s important to point out that these refundings did not extend the life or term of the bonds, but simply took advantage of lower interest rates.

**How does our debt per student compare to neighboring districts?**



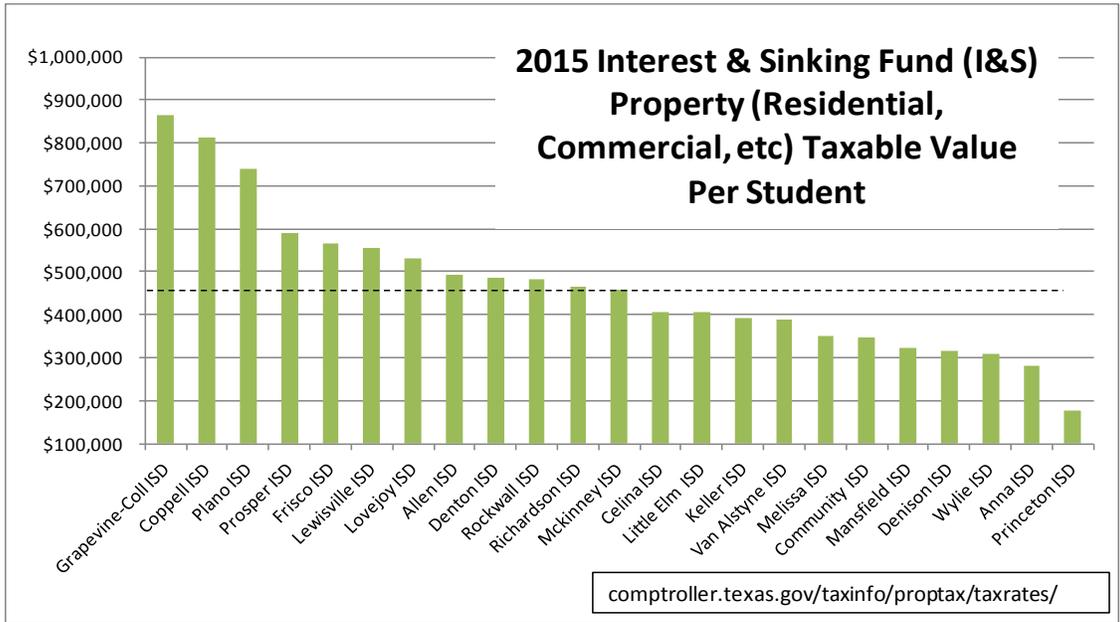
The above comparison reflects Principal only. Neither Interest nor Compounded Interest on Capital Appreciation Bonds (CAB’s) are reflected.

McKinney ISD uses maximum 25 year Debt vs. 30+ year Debt used by some districts.

Approximate additional Interest associated with 30+ year Debt:

30 year (23%), 35 year (47%), 40 Year (72%)

**How does our taxable value per student compare to neighboring districts?**



Higher Property Taxable Value per Student produces:  
 - higher I&S Tax Collections given equal I&S Tax Rate  
 - equal I&S Tax Collections with lower I&S Tax Rate

Lower Property Taxable Value per Student Districts may be eligible for I&S Existing Debt Allotment (EDA) funding from Texas Education Agency

**Where can I find more information on bond financing?**

[Click here.](#)