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South Orange County Economic Coalition Opposes \$1.8 Billion Capistrano Unified School Bond

*Bond proposal would add to massive debt on region's business and home owners,
threatens property values*

MISSION VIEJO, CA – The South Orange County Economic Coalition (SOCEC) today announced its opposition to the Capistrano Unified School District (CUSD) General Obligation bond proposal that voters will consider in November.

Measure M, if passed, would generate \$889 million in general obligation bonds, matched by \$229 million from the state, to fund unspecified school facility improvements. The bond would be paid back through an estimated tax levy of \$43 per \$100,000 of assessed value over 35 years. Including interest and fees, property owners and local business owners would pay back a total of approximately \$1.8 billion.

This tax would be in addition to the Mello-Roos tax already being paid in many communities within the District. This includes the Glenwood community in Aliso Viejo, the city of Rancho Santa Margarita and the Talega community in San Clemente, which would essentially be triple-taxed if this bond were to pass.

“Businesses and employers are already hard pressed to compete effectively in our climate of high taxes and regulations,” said Wayne Brown, SOCEC’s Governmental Affairs Director. “Adding a bond of this magnitude could force job creators out of the region and negatively impact our economic growth.”

This tax also threatens to impact local property values.

“Facing the prospect of paying nearly \$400 annually for a \$900,000 house will make prospective home buyers think twice before buying in this District,” explained Brown.

Other factors that weighed into the SOCEC Board’s decision include:

- Businesses and renters will pay higher rents as landlords pass on the costs of higher taxes.
- This bond would also tax unsecured property such as office furniture and fixtures; business improvements; boats, jet skis, RVs and other personal property.

- Cities, special districts such as water districts and other public agencies will experience reduced borrowing power as a result of the bond.

The SOCEC has long supported more investment in the region's future workforce and ensuring that our local schools, which rank among the top in the state, have the facilities they need. But there's little evidence proving that this extremely large bond amount is necessary.

"We'd be more supportive of a smaller, more realistic bond total that allows the District to leverage state matching funds and address the most critical facilities improvements," concluded Brown. "But \$1.8 billion is not an appropriate ask of this community nor do we believe it's all needed at this time. So we urge voters to reject this measure and have the District come back with a more appropriate proposal."

About the South Orange County Economic Coalition

The South Orange County Economic Coalition serves as the leading voice for business throughout the region. Through advocacy, education and representation, SOCEC works to advance policies and legislation that promote a strong south Orange County economy and business climate. For more information, visit www.economiccoalition.com.

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