

San Antonio ISD sells \$151.4 million in Bonds

December 14, 2010 -- The San Antonio Independent School District sold \$151.4 million in bonds today. The sale is the first set of bonds issued for SAISD's \$515 million bond.

SAISD plans to issue the bonds in stages, based on the cash flow needed for construction and the timing required to maximize SAISD's eligibility for state aid.

The \$515 million bond will enable SAISD to make much-needed upgrades and renovations to schools across the District, as well as to Alamo Stadium and the Convocation Center.

The bonds were issued through taxable Build America Bonds at a subsidized interest rate of 3.89 percent. This rate is less than traditional tax exempt bonds. By utilizing the Build America Bonds, the District will save \$29.4 million over the life of the bonds. These bonds will mature between 2014 and 2040.

"With this sale we can quickly move forward and get many of the bond projects underway," said Steve Bassett, chief financial officer of SAISD. "By taking advantage of lower interest rates of the Build America Bonds, and with the guidance of a strong finance team, we were able to issue bonds at excellent rates to maximize our bonds and keep the costs of debt low for our taxpayers."

The District plans to focus initial spending on the purchase of computers and playground equipment, followed by safety and security upgrades, including security cameras, key-card access control and fencing. For major renovation work, the schedule generally requires a year of design work, followed by three months to bid and award contracts, and then approximately two to three years of construction (with work proceeding in phases to ensure safety and limit disruptions for students and staff.)

A portion of the bonds were purchased by North East ISD and CPS Energy. The participation of local governmental entities is part of an effort initiated by SAISD to encourage Bexar county municipalities to invest locally.