



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

February 3, 2017

Dr. Robyne Thompson, Superintendent
School District of the City of East Lansing
501 Burcham Dr.
East Lansing, MI 48823

Dear Dr. Thompson:

In accordance with Act No. 92 of the Public Acts of 2005, I am hereby authorizing preliminary qualification of the district's bond issue as described in the application numbered SBL/33-010-4-K12-14-02 dated January 9, 2017, covering the attached ballot proposition.

Michigan Compiled Laws 211.24f, 380.1361 and 388.1928 require ballot propositions for new bonding proposals to include certain mandatory information. We encourage your district to also provide taxpayers in your school district with information about the school district's participation in the Michigan School Bond Qualification and Loan Program.

This preliminary qualification is hereby authorized for an election to be held on May 2, 2017. The authorization is based on the current interest maturity schedule included in the bond application.

Sincerely,

A handwritten signature in cursive script that reads "Nick A. Khouri".

N. A. Khouri
State Treasurer

Handwritten initials "for" in cursive script, positioned to the left of the typed name.

Attachment

cc/enc: Christopher J. Iamarino, Thrun Law Firm, P.C.
Robert J. Naughton, PFM Financial Advisors LLC

BONDING PROPOSAL

Shall the School District of the City of East Lansing, Ingham and Clinton Counties, Michigan, borrow the sum of not to exceed Ninety-Three Million Seven Hundred Seventy Thousand Dollars (\$93,770,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing and equipping five (5) new elementary school buildings; remodeling, furnishing and refurnishing and equipping and re-equipping a school building; acquiring and installing instructional technology and instructional technology equipment for school buildings; equipping, preparing, developing and improving playgrounds, play fields, parking areas, drives and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2017, under current law, is 2.11 mills (\$2.11 on each \$1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-five (25) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 4.45 mills (\$4.45 on each \$1,000 of taxable valuation).

The school district expects to borrow from the State School Bond Qualification and Loan Program to pay debt service on these bonds. The estimated total principal amount of that borrowing is \$15,409,365 and the estimated total interest to be paid thereon is \$10,565,989. The estimated duration of the millage levy associated with that borrowing is twenty-two (22) years and the estimated computed millage rate for such levy is 7.00 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$33,085,000. The total amount of qualified loans currently outstanding is \$0.

(Pursuant to State law, expenditure of bond proceeds must be audited, and the proceeds cannot be used for repair or maintenance costs, teacher, administrator or employee salaries, or other operating expenses.)