



Midpeninsula Regional
Open Space District

R-15-109
Meeting 15-19
July 22, 2015

AGENDA ITEM 6

AGENDA ITEM

Establishing Fiscal Year 2015-2016 Tax Levy for the Midpeninsula Regional Open Space District's General Obligation Bonds - Series 2015A and Series 2015B

GENERAL MANAGER'S RECOMMENDATION

A handwritten signature in black ink, appearing to be "S. J. ...", written over the printed text of the General Manager's Recommendation.

Adopt Resolutions of the Board of Directors of the Midpeninsula Regional Open Space District for each of San Mateo, Santa Clara and Santa Cruz Counties to establish an ad valorem property tax levy of \$1.10 per \$100,000 (or \$0.0011 per \$100) in assessed value for the District's General Obligation Bonds – Series 2015A and Series 2015B (Measure AA).

SUMMARY

On June 3, 2014, voters of the District approved the passage of Measure AA under which the District is authorized to issue up to \$300 million of general obligation bonds (Bonds) over thirty years to finance Measure AA capital projects. By Resolution 2015-19 adopted on May 13, 2015, the Board of Directors authorized the issuance of up to \$45,000,000 as the first tranche of the Bonds.

The most recent financing schedule for the first tranche is as follows:

- July 17 Ratings received from Fitch and Standard & Poor's
- July 20 Distribution of the Preliminary Official Statement (POS)
- July 28/29 Pricing of the bonds
- August 13 Closing of the bond sale

DISCUSSION

Debt service payments on the Bonds are paid through ad valorem taxes on all taxable property within the District. Based on the estimated debt service schedule received from the underwriters, and tax revenue projections provided by the District's Tax Administration Consultant (Goodwin Consulting Group), the Board is asked to approve resolutions for each of the three Counties authorizing the placement of an ad valorem property tax levy of \$0.0011 per \$100, or \$1.10 per \$100,000 in assessed value.

FISCAL IMPACT

The establishment of the ad valorem property tax levy will provide the District with sufficient revenues to pay related debt service on the issuance of \$45,000,000 of general obligation bonds, which are scheduled to be sold at the end of July 2015.

BOARD COMMITTEE REVIEW

This item was not previously reviewed by a Board Committee.

PUBLIC NOTICE

Notice was provided pursuant to the Brown Act. No additional notice is necessary.

CEQA COMPLIANCE

No compliance is required as this action is not a project under CEQA.

NEXT STEPS

If approved by the Board, staff will forward the resolutions to the relevant departments and Board of Supervisors of each County for inclusion in the 2015-2016 property tax bills.

Attachments:

1. Resolution of the Midpeninsula Regional Open Space District Setting the Tax Rate on Voter Approved General Obligation Bonds – County of San Mateo
2. Resolution of the Midpeninsula Regional Open Space District Setting the Tax Rate on Voter Approved General Obligation Bonds – County of Santa Clara
3. Resolution of the Midpeninsula Regional Open Space District Setting the Tax Rate on Voter Approved General Obligation Bonds – County of Santa Cruz

Responsible Department Head:

Mike Foster, Controller

Prepared by:

Andrew Taylor, Senior Accountant

RESOLUTION NO. 15-___**A RESOLUTION OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT SETTING THE 2015-16 TAX RATE ON VOTER APPROVED GENERAL OBLIGATION BONDS**

WHEREAS, the Midpeninsula Regional Open Space District (the "District") is a regional open space district that includes territory in each of the County of San Mateo, the County of Santa Clara and the County of Santa Cruz (each, a "County"; collectively, the "Counties"); and

WHEREAS, the District is empowered to issue general obligation bonds that are authorized by two-thirds of the qualified electors of the District pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Act"); and

WHEREAS, a special bond election was duly and regularly held in the District on June 3, 2014, for the purpose of submitting a ballot measure to the qualified electors of the District (the "2014 Authorization"), and more than two-thirds of the votes cast at the election approved the issuance of up to \$300 million of general obligation bonds to finance certain projects specified in the 2014 Authorization; and

WHEREAS, for the purpose of financing the projects authorized by the 2014 Authorization (the "Projects"), by its Resolution No. 15-19, the District has determined to issue its General Obligation Bonds, Series 2015, in one or more series, in the aggregate principal amount of not to exceed \$45,000,000 pursuant to the Act; and

WHEREAS, Section 5569 of the Public Resources Code provides that, for the purpose of paying all sums coming due for principal and interest on all bonds of the District, there shall be levied and collected each year a tax sufficient to pay the annual interest on such bonds and, also, that part of the principal which will become due before the time for setting the next general tax levy; and

WHEREAS, Section 5571 of the Public Resources Code provides that the Board of Supervisors of the County of Santa Clara, at the time of making the general tax levy in each year, levy a tax upon all the real and personal property within the District and within its respective County at a rate sufficient to meet the proportion of taxes necessary to be raised in the County for the purpose of paying the principal and interest of the bonds and other indebtedness of the District; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Midpeninsula Regional Open Space District, as follows:

SECTION 1. Levy of Tax. The Board of Directors of the District hereby determines that the tax rate necessary to pay the principal and interest on the Bonds coming due and payable

on March 1, 2016 and September 1, 2016 is \$0.0011 per \$100 of assessed valuation, and such tax rate shall be and is hereby levied in accordance with all applicable requirements of law.

SECTION 2. Collection of Tax. The Controller is hereby directed to forward a copy of this Resolution to the Controller-Treasurer of the County of Santa Clara, and to the Board of Supervisors of the County, and to take such actions and execute such documents as may be required to cause the tax rate set forth in Section 1 to be placed on the 2015-2016 property tax bill and collected by each of the County.

SECTION 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2015, at a Regular Meeting thereof, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

District Clerk

RESOLUTION NO. 15-_____**A RESOLUTION OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT SETTING THE 2015-16 TAX RATE ON VOTER APPROVED GENERAL OBLIGATION BONDS**

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WHEREAS, a special bond election was duly and regularly held in the District on June 3, 2014, for the purpose of submitting a ballot measure to the qualified electors of the District (the "2014 Authorization"), and more than two-thirds of the votes cast at the election approved the issuance of up to \$300 million of general obligation bonds to finance certain projects specified in the 2014 Authorization; and

WHEREAS, for the purpose of financing the projects authorized by the 2014 Authorization (the “Projects”), by its Resolution No. 15-19, the District has determined to issue its General Obligation Bonds, Series 2015, in one or more series, in the aggregate principal amount of not to exceed \$45,000,000 pursuant to the Act; and

WHEREAS, Section 5569 of the Public Resources Code provides that, for the purpose of paying all sums coming due for principal and interest on all bonds of the District, there shall be levied and collected each year a tax sufficient to pay the annual interest on such bonds and, also, that part of the principal which will become due before the time for setting the next general tax levy; and

WHEREAS, Section 5571 of the Public Resources Code provides that the Board of Supervisors of the County of San Mateo, at the time of making the general tax levy in each year, levy a tax upon all the real and personal property within the District and within its respective County at a rate sufficient to meet the proportion of taxes necessary to be raised in the County for the purpose of paying the principal and interest of the bonds and other indebtedness of the District; and

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