



Santa Cruz County CA

Approved
Sep 25, 2018 9:00 AM

Agenda Item DOC-2018-801

Approve First Supplement to Amended and Restated Joint Exercise of Powers Agreement for the Santa Cruz Libraries Facilities Financing Authority, and take related actions, as recommended by the County Administrative Officer

Information

Department:	County Administrative Office	Sponsors:	County Administrative Officer Carlos J. Palacios
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Links

Reference 1515 : [Approve Second Amendment to the Joint Exercise of Powers Agreement Establishing the Santa Cruz County Library Financing Authority, approve Fourth Amendment to the Joint Powers Agreement Between the City of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley, Relating to Library Services, approve Amendment to the Santa Cruz Libraries Facilities Financing Authority Joint Exercise of Powers Agreement, approve Side Agreement Extending Time to Commence Construction of Capitola Branch Library, and take related actions, as recommended by the County Administrative Officer](#)

Reference DOC-2017-145 : [Approve Amended and Restated Joint Exercise of Powers Agreement and Joint Community Facilities Agreement for the Santa Cruz Libraries Facilities Financing Authority, and authorize the County Administrative Officer to sign the agreements, as recommended by the County Administrative Officer](#)

Attachments

[Board Memo](#)
[First Supplement to Amended and Restated Joint Exercise of Powers Agreement \(updated\)](#)

Financial Impact

Approving the First Supplement would provide the County with an additional \$6.5 million in Measure S funding for library projects in the unincorporated area. There would be no impact on the General Fund.

Board Letter

Recommended Action(s):

- 1) Approve the First Supplement to Amended and Restated Joint Exercise of Powers Agreement for the Santa Cruz Libraries Facilities Financing Authority, and authorize the County Administrative Officer to sign on behalf of the County; and

- 2) Approve the distribution of the additional \$6.5 million in Measure S funding to County library projects as follows: \$1,493,000 for Aptos Library (GL Key 191401), \$1,131,700 for Boulder Creek Library (GL Key 191402), \$1,493,000 for Felton Library (GL Key 191403), \$1,131,700 for La Selva Beach Library (GL Key 191404), and \$1,250,600 for Live Oak Libraries (GL Key 191405).

Executive Summary

On June 7, 2016, the passage of Measure S authorized the Santa Cruz Libraries Facilities Financing Authority (LFFA) to issue up to \$67,000,000 in bonds, and levy a special tax annually on parcels within the Community Facilities District to pay debt service on the bonds and directly pay the costs of the authorized library projects. With Measure S revenues exceeding estimated amounts, the LFFA unanimously recommended distributing the additional revenues. This memo requests Board approval of the First Supplement to the LFFA Amended and Restated Joint Exercise of Powers Agreement (JPA) to provide for this distribution.

Background

In 2016, the LFFA formed a Community Facilities District to finance modernization, upgrades and repairs of local libraries in Santa Cruz, Aptos, Live Oak, Scotts Valley, Boulder Creek, Capitola, Felton and La Selva Beach. On June 7, 2016, Santa Cruz County voters approved Measure S, which authorized the LFFA to issue up to \$67,000,000 in bonds, and levy a special tax annually on parcels within the Community Facilities District to pay debt service on the bonds and directly pay the costs of the authorized library projects. Pursuant to the JPA, the County of Santa Cruz received \$26 million in Measure S funding for library improvements in the unincorporated area.

Beginning with the first levy in Fiscal Year 2016-17, Measure S revenues exceeded estimated amounts because of several factors. First, the actual tax generated exceeded the initial projection, which included auditing the number of units for multifamily property. In addition, the pricing and costs of the first bond issuance in June 2017 were lower than anticipated.

On June 7, 2018, the LFFA Board formed an ad-hoc subcommittee comprised of Capitola and County representatives to evaluate Measure S revenues and possible disbursement strategies. Based on the subcommittee's work, an additional \$15.5 million, or 25%, in Measure S funding (a combination of additional bond proceeds and annual taxes) could be distributed to JPA members over time.

Analysis

On August 30, 2018, the LFFA Board unanimously recommended approval of the attached First Supplement that distributes the additional revenues based on the original formula from the existing agreement. The First Supplement must be approved by each JPA member agency (the cities of Capitola, Santa Cruz and Scotts Valley, and the County of Santa Cruz).

Specifically, the proposed amendment updates the maximum funding amounts to be distributed to each jurisdiction based on a revenue increase of 25%. That increase will result in the County receiving an additional \$6.5 million in library funding. The distribution percentages remain the same.

	Original Maximum Amount	Modified Maximum Amount	Percentage
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City of Capitola	\$8,000,000	\$10,000,000	12.90%
City of Santa Cruz	\$25,000,000	\$31,250,000	40.32%
City of Scotts Valley	\$3,000,000	\$3,750,000	4.84%
County of Santa Cruz	\$26,000,000	\$32,500,000	41.94%
Total	\$62,000,000	\$77,500,000	100.00%

The modified distribution provides a total of \$32.5 million in Measure S funding for library projects in the County unincorporated area. Based on the additional funds needed for these projects according to their current scope and cost, staff recommends distributing the additional \$6.5 million to the projects as shown in the table below.

	Original Measure S Funds	Added Measure S Funds	Total Measure S Funds
Aptos Library	\$10,000,000	\$1,493,000	\$11,493,000
Boulder Creek Library	\$500,000	\$1,131,700	\$1,631,700
Felton Library	\$10,000,000	\$1,493,000	\$11,493,000
La Selva Beach Library	\$500,000	\$1,131,700	\$1,631,700
Live Oak Libraries	\$5,000,000	\$1,250,600	\$6,250,600
Total	\$26,000,000	\$6,500,000	\$32,500,000

With the additional distribution, supervisorial districts with library projects in the unincorporated area maintain the same percentage of Measure S funding as originally distributed, and smaller projects receive funds needed for improvements beyond basic upgrades and repairs.

An updated bond expenditure plan is needed to show the timing of distributions to JPA members, and staff is working with members to produce an updated plan. Staff will return for Board approval to accept and appropriate Measure S funds resulting from bond proceeds and annual taxes when they are known.

Body

Strategic Plan Elements:

- 5.B (Dynamic Economy: Community Vitality)
- 5.D (Dynamic Economy: Educational Opportunity)

The County library projects support these goals in the County Strategic Plan by stimulating culture, and by creating gathering, educational, and lifelong learning spaces.

Meeting History

Sep 25, 2018 9:00 AM Video **Board of Supervisors** **Regular Meeting**

RESULT: **APPROVED [4 TO 0]**
MOVER: John Leopold, First District Supervisor
SECONDER: Ryan Coonerty, Vice Chair, Third District Supervisor
AYES: John Leopold, Zach Friend, Ryan Coonerty, Greg Caput

ABSENT: Bruce McPherson

Discussion

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