

Chair Jenny Haruyama
Vice Chair Carlos Palacios
Board Member Jamie Goldstein
Board Member Martin Bernal



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)
REGULAR BOARD MEETING
THURSDAY MAY 3, 2018**

**9:00 A.M.
DOWNTOWN BRANCH LIBRARY
224 CHURCH STREET, SANTA CRUZ, CA 95060**

1. CALL TO ORDER / ROLL CALL

Board Members Jamie Goldstein, Carlos Palacios, Martin Bernal and Chair Jenny Haruyama

2. ADDITIONAL MATERIALS

Additional information submitted after distribution of the agenda packet.

3. ADDITIONS AND DELETIONS TO AGENDA

4. ORAL COMMUNICATION

Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

5. EXECUTIVE DIRECTOR REPORT

A. Director's Report for May (PG.3-6)

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

7. CONSENT CALENDAR

A. Approve Minutes of the March 1, 2018 Board Meeting
RECOMMENDED ACTION: Approve Minutes (PG.7-8)

- B. Community Facilities District Reports
RECOMMENDED ACTION: Receive CFD Reports (PG.9-16)

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.

8. GENERAL BUSINESS

- A. CFD No. 2016-1 – FY 2017/18 Annual Report
RECOMMENDED ACTION: Accept FY 2017/18 Annual Report (PG.17-34)
- B. Proposed Budget for FY 2018-2019
RECOMMENDED ACTION: Approve the Proposed FY 2018-2019 LFFA Budgets (PG.35-38)

Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.

9. SCHEDULED UPCOMING MEETINGS

June 7, 2018	Boulder Creek Branch Library	Agenda Items:
	13390 West Park Ave, Boulder Creek, CA 95006	Approve FY 2018-2019 Draft LFFA Budget

10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday June 7, 2018 at 9:00 a.m. at the Boulder Creek Branch Library, located at 13390 West Park Ave, Boulder Creek, CA 95006.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831)427-7706 at least five days in advance so that we can arrange for such special assistance, or email library_admin@santacruzpl.org.

May 2018

Library Director's Report to the LFFA

Aptos

The Friends of the Aptos Library toured four Bay Area libraries on March 29 to examine public library best practices. The project is currently in the early stages of planning and consultant selection process. County DPW staff is planning to take the criteria doc RFQ to the BOS on June 12 to recommend a Design-Build project delivery approach. The current, tentative project schedule anticipates a Fall 2021 – 2022 construction period.



Boulder Creek

SD Document proposals are currently being finalized. Documents are with the estimator for preliminary construction cost estimates. A final SD meeting is scheduled for May 24th which will help determine project scope moving into the CD phase. The current, tentative project schedule is as follows:

- May 24, 2018 - Final SD meeting and cost estimate review.
- May 28, 2018 - Begin CD phase
- Early July 2018 - Community review meeting
- Late August 2018 - Review CD cost estimate
- September 2018 - Finalize CD's
- October 2018 - Permitting and CD phase completion meeting
- Winter 2018 - Bid and award
- Spring - Fall 2019 - Construction

Branciforte

David Tanza, from Bogard Construction has developed a building needs assessment and hired Jayson Architecture to begin design of a preliminary scope for the project.

Capitola

The Capitola Library will officially close for construction on May 1st. However, the last day the library will be open for business will be Saturday April 28. The official estimate for construction time is 18 months to 2 years. There is no official date for a Grand Opening.

Patrons can change their hold pickup location to any other branch in the library system. Patrons must pick up all books and media held at the Capitola Library before its last open day on April 28th. Any holds remaining at the Capitola Library at the end of the day will be transferred to the Aptos Branch. Patrons may drop off books and media for return at any branch library. For patrons' convenience, starting May 1, they may also drop off returns at the Jade St. Community Center, 4400 Jade St., where the library will station a book return drop.

Patrons can access library services from any branch library during open hours, by phone at 831-427-7713, or by emailing elibrary@santacruzpl.org. Many collections for entertainment and research are available online via the website at santacruzpl.org. SCPL has added two additional Bookmobile stops in proximity to the library. The Bookmobile will visit the Live Oak Senior Center every other Tuesday 2:15pm-3:00pm starting May 1st, and the Mid-County Senior Center every other Wednesday 3:00pm-3:45pm starting May 9th. Tales to Tails programming will move to the Aptos Library and take place 1st and 3rd Mondays 3:30pm - 4:30pm, and every 1st Saturday of the month 10:30am - 11:30am. Starting in June, Preschool Storytime will take place at the Porter Memorial Library Fridays 11:00am to 12:00pm, and MAKE & Explore will be held at the Children's Museum of Discovery in the Capitola Mall on Fridays 2:00pm - 4:00pm.

The collection of books and media at Capitola is currently being evaluated and the best items are being reassigned to other branches. The Friends of the Santa Cruz Public Libraries will hold a big book sale in the branch after it has closed on May 19th and 20th, before demolition begins. Everything, including furniture and fixtures, will be for sale.

The Capitola City Council will approve the plans, specifications, and construction estimate for the Capitola Branch Library; authorize the Public Works Department to release the documents for bidding and advertise a notice listing the pre-qualified general contractors; and set the bid opening date for May 30, 2018 at 11 a.m. at their meeting of April 26.

The Library Director and Capitola City Manager are developing an agreement for a long-term display space for the Capitola Historical Museum at the Library.

Downtown

Members of the Downtown Library Advisory Committee (DLAC) met with a variety of stakeholders to discuss their recommendation of Option B, relocating the Downtown Branch Library to a mixed-use project on Cedar, Lincoln, and Cathcart Streets. The DLAC's recommendation will now go to the Santa Cruz City Council in June for consideration.

Felton

The new Felton Library has been assigned an address of 6121 Gushee Street. Construction Documents (CD) for the Felton Library project have been submitted to the County of Santa Cruz Building Department for permitting and are currently under

review. Plan review comments are expected back within the next two weeks which will then be incorporated into a final Bid Set of Plans and Specifications. The current, tentative project schedule is as follows:

- June 12, 2018 - Seek approval from the County Board of Supervisors (BOS) to advertise a Request for Bids
- June 18-22, 2018 - Hold job walk for potential bidders
- June 9-13, 2018 - Bid opening
- August 7, 2018 - Approval to award contract
- Mid-August, 2018 - Notice to Proceed
- August 2018 to September 2019 - Construction
- Fall 2019 - Building opening

Garfield

David Tanza, from Bogard Construction has developed a building needs assessment and hired Jayson Architecture to begin design of a preliminary scope for the project.

La Selva Beach

The Schematic Design (SD) Document proposals are currently being finalized. Documents are with the estimator for preliminary construction cost estimates. A final SD meeting is scheduled for May 24th which will help determine project scope moving into the CD phase. The current, tentative project schedule is as follows:

- May 24, 2018 - Final SD meeting and cost estimate review
- May 28, 2018 - Begin CD phase
- Early June 2018 - Community review meeting
- Late August 2018 - Review CD cost estimate
- September 2018 - Finalize CD's
- October 2018 - Permitting and CD phase completion meeting
- Late Fall 2018 - Bid and award
- Spring - Fall 2019 – Construction

Live Oak Annex

The kick off meeting with Noll & Tam Architects (N&T) is scheduled for May 30, 2018 for the SD phase of the project. The architect is currently reviewing as-built/existing condition documents and are preparing a base plan for use in early SD and feasibility meetings. The current, tentative project schedule is as follows:

- May 30, 2018 - Kickoff meeting
- April - October, 2018 - Feasibility study and concept plan
- Fall 2018 - Community review meeting
- March - August 2019 - Development permit
- August 2019 - January 2020 - CD phase
- Spring 2020 - Bid and award
- April 2020 - April 2021 - Construction

Live Oak

The SD Document proposals are currently being finalized. Documents are with the estimator for preliminary construction cost estimates. A final SD meeting is scheduled for May 24th which will help determine project scope moving into the CD phase. The current, tentative project schedule is as follows:

- May 24, 2018 - Final SD meeting and cost estimate review.
- May 28, 2018 - Begin CD phase
- Late June 2018 - Community review meeting
- Late August 2018 - Review CD cost estimate
- September 2018 - Finalize CD's
- October 2018 - Permitting and CD phase completion meeting
- Winter 2018 - Bid and award
- Spring - Fall 2019 - Construction

Scotts Valley

The Scotts Valley City Council is exploring the best use for the 9,000 s.f. of space adjacent to the current library. A local theatre group has attempted a theatre project but has suffered from a shortage of funding. The Council instructed City staff to:

1. Conduct a comprehensive assessment regarding the Scotts Valley Library Branch's current and future capital needs, including infrastructure, technology, and equipment replacement.
2. Complete a detailed assessment regarding the costs associated with pursuing a flexible alternative use that would include a theatre-type component at the non-library space.
3. Work in coordination with the SCPL and Library Director to identify potential operational implications related to pursuing an alternate use in the non-library space. These include, but are not limited to the need for additional staffing or exploration of user fees for certain library uses.
4. Complete a market demand analysis to determine the viability of a performing arts center in Scotts Valley.
5. Coordinate with key stakeholders and Scotts Valley Friends of the Library if an alternate use in the non-library space is pursued.

Chair Jenny Haruyama
Vice Chair Carlos Palacios
Board Member Jamie Goldstein
Board Member Martin Bernal



**SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)**

**REGULAR MEETING MINUTES
THURSDAY, MARCH 1, 2018
6:00 P.M.**

1. ROLL CALL

PRESENT: Martin Bernal, Jenny Haruyama, Steve Jesberg (Alternate), Carlos Palacios

STAFF: Library Director Susan Nemitz

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of March 1, 2018 was approved by consensus.

4. ORAL COMMUNICATIONS

None

5. EXECUTIVE DIRECTOR REPORT

Library Director's Report – March 2018

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

Steve Jesberg gave an update on the Capitola library construction process.

7. CONSENT CALENDAR

RESULT: APPROVED CONSENT CALENDAR
A. Approved Minutes of January 18, 2018
[UNANIMOUS]

MOVER: Carlos Palacios (Vice Chair)

SECONDER: Martin Bernal (Board Member)

AYES: Bernal, Haruyama, Jesberg, Palacios

8. GENERAL BUSINESS

A. Basic Financial Statements and Independent Auditor's Report FY 16/17. Presentation by Edith Driscoll, Treasurer Controller.

9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 6:05 p.m. to the Regular Meeting on Thursday, May 3, 2018 at 9:00 a.m. at the Downtown Branch Library, Upstairs Meeting Room, located at 224 Church Street, Santa Cruz, CA 95060.

ATTEST: _____
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.

Libraries Facilities Financing Authority
 City of Santa Cruz, CA
 Community Facilities District Report
 For the Fiscal Year Ended June 30, 2017

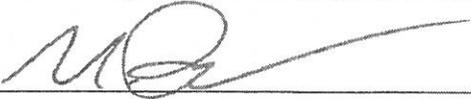
This report is prepared pursuant to the Santa Cruz Libraries Facilities Financing Authority Joint Exercise of Powers Agreement, paragraph 4: Annual Reporting, dated January 6, 2017; which requires each member to file with the Authority a written report (the "Annual CFD Report) containing the following information for the prior fiscal year:

- i. The amount of Bond proceeds received and expended during the fiscal year, any cash balance of Bond proceeds remaining on hand at the end of the fiscal year and a summary of the Facilities for which Bond proceeds were expended.
- ii. The amount of Special Taxes received and expended during the fiscal year, any cash balance of Special Taxes remaining on hand at the end of the fiscal year and a summary of the Facilities for which Special Taxes were expended.

	On hand July 1, 2016	Received	Expended	On hand June 30, 2017
Proceeds from Bonds				
Branciforte Library	\$ -	\$ -	\$ -	\$ -
Downtown Library	-	-	-	-
Garfield Park Library	-	-	-	-
Total Proceeds from Bonds	\$ -	\$ -	\$ -	\$ -
Special Taxes				
Branciforte Library	\$ -	\$ -	\$ -	\$ -
Downtown Library	-	-	-	-
Garfield Park Library	-	-	-	-
Total Special Taxes	\$ -	\$ 1,480,128.00	\$ -	\$ 1,480,128.00

Special taxes have not yet been allocated to the individual branches. As a result, only the total amount for special taxes is specified and not individual branch amounts.

I certify that to the best of my knowledge and belief that the representations contained in this report are true and accurate.



 Marcus Pimentel, Finance Director
 April 20, 2018

Proceeds of bonds are held in trust at the Bank of New York Mellon.

Special Taxes are collected and distributed to members of the Authority by the Treasurer twice annually in January and June, or as soon as practical upon receipt.

Facilities Projects Summary

Branciforte Branch Library – 230 Gault St., Santa Cruz, CA 95062

Upgrades to the existing building including, but not limited to structural, plumbing, building exteriors, and electrical improvements.

Downtown Branch Library – 224 Church St., Santa Cruz, CA 95060

Design, permitting, and construction of a new branch library, associated on and off-site improvements, utilities, furniture, fixtures, and equipment.

Garfield Park Branch Library – 705 Woodrow Ave., Santa Cruz, CA 95060

Upgrades to the existing building including, but not limited to plumbing, building exteriors, and heating improvements.

Proceeds of bonds are held in trust at the Bank of New York Mellon.

Special Taxes are collected and distributed to members of the Authority by the Treasurer twice annually in January and June, or as soon as practical upon receipt.

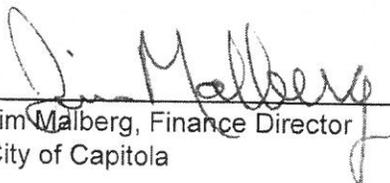
Libraries Facilities Financing Authority
 Santa Cruz County
 Community Facilities District Report
 For the fiscal year ended June 30, 2017

This report is prepared pursuant to the Santa Cruz Libraries Facilities Financing Authority Joint Exercise of Powers agreement, paragraph 4: Annual Reporting, dated January 6, 2017; which requires each member to file with the Authority a written report containing the following information for the prior fiscal year:

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2. The amount of Special Taxes received and expended during the fiscal year, any cash balance of Special Taxes remaining on hand at the end of the fiscal year and a summary of the Facilities for which Special Taxes were expended.

	On hand July 1, 2016	Received	Expended	On hand June 30, 2017
Proceeds from Bonds				
CAPITOLA LIBRARY	\$ -	\$ -	\$ -	\$ -
Total Proceeds from Bonds:	\$ -	\$ -	\$ -	\$ -
Special Taxes				
CAPITOLA LIBRARY	\$ -	\$ 473,554.00	\$ 450,590.51	\$ 22,963.49
Total Special Taxes:	\$ -	\$ 473,554.00	\$ 450,590.51	\$ 22,963.49

I certify that to the best of my knowledge and belief that the representations contained in this report are true and accurate.



 Jim Malberg, Finance Director
 City of Capitola

Facilities Project Summary

Capitola Branch Library – 2005 Wharf Road Capitola, CA 95010

Design, permitting and construction of a new branch library of approximately 11,700 square feet.

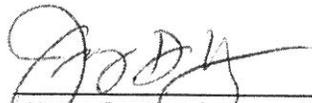
**LIBRARIES FACILITIES FINANCING AUTHORITY
CITY OF SCOTTS VALLEY
COMMUNITY FACILITIES DISTRICT REPORT
For the fiscal year ended June 30, 2017**

This report is prepared pursuant to the Santa Cruz Libraries Facilities Financing Authority Joint Exercise of Powers Agreement, paragraph 4: Annual Reporting, dated January 6, 2017; which requires each member to file with the Authority a written report (the "Annual CFD Report") containing the following information for the prior fiscal year:

- i. The amount of Bond proceeds received and expended during the fiscal year, any cash balance of Bond proceeds remaining on hand at the end of the fiscal year and a summary of the Facilities for which Bond proceeds were expended.
- ii. The amount of Special Taxes received and expended during the fiscal year, any cash balance of Special Taxes remaining on hand at the end of the fiscal year and a summary of the Facilities for which Special Taxes were expended.

	<u>On hand July 1, 2016</u>	<u>Received</u>	<u>Expended</u>	<u>On hand June 30, 2017</u>
<u>PROCEEDS FROM BONDS</u>				
Scotts Valley Library	\$ -	\$ -	\$ -	\$ -
<u>PROCEEDS FROM SPECIAL TAXES</u>				
Scotts Valley Library	\$ -	\$ 177,674.00	\$ 7,781.12	\$ 169,892.88

I certify that to the best of my knowledge and belief that the representations contained in this report are true and correct.


 Name & Title of responsible party _____ Date 4/4/18
 Jenny D. Haruyama, City Manager

Proceeds of bonds are held in trust at the Bank of New York Mellon.

Special Taxes are collected and distributed to members of the Authority by the Treasurer twice annually in January and June, or as soon as practical upon receipt.

**CITY OF SCOTTS VALLEY
FACILITIES PROJECTS SUMMARY
For the fiscal year ended June 30, 2017**

Scotts Valley Library - 251 Kings Village Road, Scotts Valley, CA 95066

Design and planning for replacement of the HVAC system, roof repairs, installation of sound attenuation equipment, major building improvements and parking lot improvements.

Replacement of patio furniture and umbrellas.

Proceeds of bonds are held in trust at the Bank of New York Mellon.

Special Taxes are collected and distributed to members of the Authority by the Treasurer twice annually in January and June, or as soon as practical upon receipt.

**Libraries Facilities Financing Authority
Santa Cruz County
Community Facilities District Report
For the fiscal year ended June 30,2017**

This report is prepared pursuant to the Santa Cruz Libraries Facilities Financing Authority Joint Exercise of Powers Agreement, paragraph 4: Annual Reporting, dated January 6, 2017; which requires each member to file with the Authority a written report (the "Annual CFD Report) containing the following information for the prior fiscal year:

- i. The amount of Bond proceeds received and expended during the fiscal year, any cash balance of Bond proceeds remaining on hand at the end of the fiscal year and a summary of the Facilities for which Bond proceeds were expended.
- ii. The amount of Special Taxes received and expended during the fiscal year, any cash balance of Special Taxes remaining on hand at the end of the fiscal year and a summary of the Facilities for which Special Taxes were expended.

	On hand July 1, 2016	Received	Expended	On hand June 30, 2017
Proceeds from Bonds				
APTOS LIBRARY	\$ -	\$ -	\$ -	\$ -
BOULDER CRK LIBRARY	-	-	-	-
FELTON LIBRARY	-	-	-	-
LA SELVA LIBRARY	-	-	-	-
LIVE OAK LIBRARY/ANNEX	-	-	-	-
Total Proceeds from Bonds:	\$ -	\$ -	\$ -	\$ -

Special Taxes				
APTOS LIBRARY	\$ -	\$ 80,000.00	\$ 5,310.20	\$ 74,689.80
BOULDER CRK LIBRARY	-	80,000.00	3,982.68	76,017.32
FELTON LIBRARY	-	1,219,598.00	217,891.57	1,001,706.43
LA SELVA LIBRARY	-	80,000.00	5,664.23	74,335.77
LIVE OAK LIBRARY/ANNEX	-	80,000.00	12,390.21	67,609.79
Total Special Taxes:	\$ -	\$ 1,539,598.00	\$ 245,238.89	\$ 1,294,359.11

I certify that to the best of my knowledge and belief that the representations contained in this report are true and accurate.

Carlos Palacios, County Administrative Officer
March 29, 2018

Proceeds of bonds are held in trust at the Bank of New York Mellon.

Special Taxes are collected and distributed to members of the Authority by the Treasurer twice annually in January and June, or as soon as practical upon receipt.

Facilities Projects Summary

Aptos Branch Library – 7695 Soquel Dr. Aptos, CA 95003

Design and permitting of a major renovation and possible addition to existing branch library to include upgrades to the existing building including but not limited to structural, roofing, mechanical, electrical, plumbing, data systems, building interiors and finishes, and site improvements.

Boulder Creek Branch Library – 13390 W. Park Ave. Boulder Creek, CA 95006

Design of accessibility, circulation design, lighting, power, data and utility upgrades, and other interior and site improvements at existing branch library.

Felton Branch Library – Gushee St, Felton, CA 95018

Design, permitting and construction of a new branch library of approximately 9,600 square feet, single story building, associated on and off-site improvements, utilities, furniture, fixtures and equipment.

La Selva Branch Library – 316 Estrella Ave, La Selva Beach, CA 95076

Design, permitting, and renovation of existing branch library including accessibility, mechanical, power and data systems, circulation desk, and other interior and patio improvements, plus furniture, fixtures and equipment.

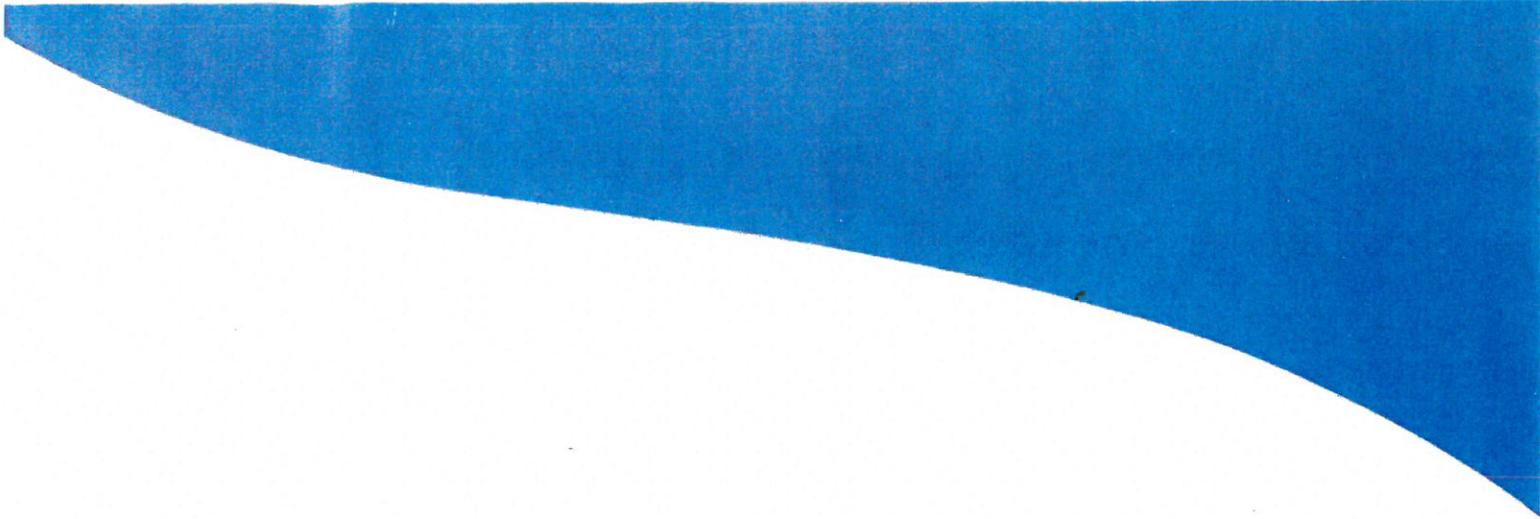
Live Oak Branch Library/Annex – 2380 Portola Drive, Santa Cruz, CA 95062 and 979 17th Avenue, Santa Cruz, CA 95062

Design and permitting, as required, of upgrades to existing mechanical system, circulation desk, reference desk and other interior upgrades at existing branch library.

Design and permitting of a building addition and renovation of a portion of an existing community center including but not limited to structural, roofing, mechanical, electrical, plumbing and data systems, building interiors and finishes, and site improvements.

Proceeds of bonds are held in trust at the Bank of New York Mellon.

Special Taxes are collected and distributed to members of the Authority by the Treasurer twice annually in January and June, or as soon as practical upon receipt.



SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

Community Facilities District No. 2016-1

2017/18 Annual Report

January 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis,
Huntington Beach,
Joshua Tree, Riverside,
Sacramento, San Jose

www.nbsgov.com

Prepared by:



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1. DISTRICT ANALYSIS

1.1 District

Community Facilities District No. 2016-1 (the “CFD”) was approved by voters in the June 2016 regular election and established to provide funding for library facilities in the County of Santa Cruz, including but not limited to, Aptos, Boulder Creek, Branciforte, Capitola, Downtown Santa Cruz, Felton, Garfield Park, La Selva Beach, Live Oak and Scotts Valley, but excluding library facilities in the City of Watsonville. The improvements funded by the CFD may include new construction and building renovations and service model upgrades needed to provide service desks, an area for displaying materials, separate areas for teens and children, flexible spaces and/or meeting rooms and study rooms, places to display art, new flooring, paint, shelving, furniture and technology, power/data to support library technology, and other upgrades (the “Facilities”).

The Facilities will also include, without limitation, the attributable costs of engineering, design, planning, materials testing, coordination, construction staking, and construction, together with the expenses related to issuance and sale of any "debt", as defined in Section 53317(d) of the Act, including underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, financial advisor, bond and official statement printing, administrative expenses of the Authority, the CFD and bond trustee or fiscal agent related to the CFD, and any such debt and all other incidental expenses. The Facilities shall be constructed or modified, upgraded or otherwise renovated, whether acquired in their completed states, pursuant to plans and specifications approved by the Parties to the Authority's Joint Exercise of Powers Agreement.

On June 15th, 2017, the Santa Cruz Libraries Facilities Financing Authority Community Facilities District (the “CFD”) issued the 2017 Special Tax Bonds (the “Bonds”). The Bonds were issued to construct and/or improve library facilities located within the District. Proceeds will be used to purchase a municipal bond debt service reserve insurance policy for the Bonds and pay costs related to the issuance of the Bonds.

The Bonds are scheduled to mature with the September 1, 2045 debt service payment.

1.2 Levy

The CFD’s Fiscal Year 2017/18 annual special tax levy was \$4,453,484.00 and consisted of 69,050 parcels. Pursuant to the Rate and Method of Apportionment for the CFD, all parcels were levied at 100% of their respective maximum annual special tax for Fiscal Year 2017/18.

1.3 Special Issues

During the formation process, NBS identified several Multi-Family Residential parcels with questionable applied unit counts. NBS completed reviewing these parcels to verify the unit allocations. Counts showed a net unit gain of 556 taxable units which resulted in a net levy gain of \$26,433.00.

NBS

Manuel Kauss, Financial Analyst

Tim Seufert, Client Services Director



2. SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). The Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the special tax district and others are handled through annual reports. This section of this report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all the following:

- a) The amount of funds collected and expended.
- b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410.”

The requirements of the Act apply to the Funds of:

Santa Cruz Libraries Facilities Financing Authority

Community Facilities District No. 2016-1

District formed on February 11, 2016

2.1 Purpose of Special Tax

Community Facilities District No. 2016-1 was established in 2016 to provide funds for library facilities in the County of Santa Cruz, including but not limited to Aptos, Boulder Creek, Branciforte, Capitola, Downtown Santa Cruz, Felton, Garfield Park, La Selva Beach, Live Oak and Scotts Valley, but excluding library facilities in the City of Watsonville. The improvements funded by the CFD may include new construction and building renovations and service model upgrades needed to provide service desks, an area for displaying materials, separate areas for teens and children, flexible spaces and/or meeting rooms and study rooms, places to display art, new flooring, paint, shelving, furniture and technology, power/data to support library technology, and other upgrades.

2.2 Collections & Expenditures

The requirements of the Act apply to the Improvement Fund for the following District:

Date of Issuance	Initial Amount Deposited to Improvement Funds	6/30/2017 Balance	Expended Amount	Project Status
6/1/2017	\$22,003,758.43	\$22,003,758.43	\$0.00	Ongoing

3. FINANCIAL STATUS

3.1 Special Tax Spread

Property Classification	Units Levied	Rate per Parcel Unit	Total Levied by Category (1)	Percentage of Maximum Levied
Agricultural	338	\$86.00	\$29,068.00	100%
Agricultural Residential	661	135.50	94,218.50	100%
Commercial	2,472	86.00	212,592.00	100%
Commercial Residential	303	135.50	52,441.50	100%
Multi-Family Residential	12,524	49.50	1,366,794.00	100%
Recreational	195	86.00	16,770.00	100%
Recreational Residential	1	135.50	135.50	100%
Single Family Residential	52,556	49.50	2,681,464.50	100%
Totals	69,050	N/A	\$4,453,484.00	100%

(1) For fiscal year 2017/18, units were levied at 100% of the Maximum Special Tax.

3.2 CFD Funds

3.2.1 Special Tax Fund

6/30/2017 Balance	9/2/2017 Payment	9/2/2017 Bond Call	Estimated Administrative Expenses (1)	Amount Credited to 2017/18 Levy	Surplus / (Deficit)
\$238,000.00	\$130,780.00	\$0.00	\$50,000.00	\$0.00	\$57,220.00

(1) Represents six months' worth of estimated administrative expenses. The starting amount of Administrative Expenses for the district for fiscal year 2017/18 is \$100,000, and shall increase by 3% commencing fiscal year 2018/19.

3.2.2 Reserve Fund

Initial Proceeds	6/30/2017 Balance	IRS Size Limitation (1)	Reserve Requirement (2)	Surplus / (Deficit)
\$610,250.60	\$610,250.60	\$1,220,501.19	\$610,250.60	\$0.00

(1) An amount not to exceed the lesser of (i) 10% of the initial principal amount of the Bonds; (ii) Maximum Annual Debt Service on the Bonds; or (iii) 125% of the average Annual Debt Service on the Bonds.

(2) An amount not to drop below fifty percent (50%) of the IRS Size Limitation.

3.2.3 Value to Debt Ratio

Total Value (1)	Unbilled Principal	Value to Lien Ratio
\$39,209,134,974.00	\$21,170,000	1852.11:1

(1) Assessed value as of January 1, 2017 for all active parcels.



4. APPENDICES

4.1 Rate and Method of Apportionment

4.2 Final Budget for Fiscal Year 2017/18

4.3 Current Debt Service Schedule

EXHIBIT B

Santa Cruz Libraries Facilities Financing Authority
Community Facilities District No. 2016-1

RATE AND METHOD OF APPORTIONMENT FOR
SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2016-1

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property within the Santa Cruz Libraries Facilities Financing Authority's Community Facilities District No. 2016-1 ("CFD No. 2016-1") and collected each Fiscal Year commencing in Fiscal Year 2016/17, in an amount determined by the Board of Directors of the Santa Cruz Libraries Facilities Financing Authority or its designee, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2016-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. **DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2016-1; including, without limitation: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Authority or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the Authority, CFD No. 2016-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Authority, CFD No. 2016-1 or any designee thereof of complying with disclosure requirements under applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Authority, CFD No. 2016-1 or any designee thereof related to any appeal of the Special Tax; the costs associated with the release of funds from any escrow account; and the Authority's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Authority or CFD No. 2016-1 for any other administrative purposes of CFD No. 2016-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Agricultural Property" means all Assessor's Parcels of Developed Property used for farming or agriculture. Typical County Use Codes include: 410, 411, 412, 420, 421, 422, 430, 431, 432, 450, 451, 452, 470, 480, and 490.

"Assessor's Data" means Acreage, Use Code, Building Square Footage, or other information regarding Assessor's Parcels contained in the records of the County Assessor.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating parcels by Assessor's Parcel number.

"Authority" means the Santa Cruz Libraries Facilities Financing Authority.

"Board" means the Board of Directors of the Authority, acting as the legislative body of CFD No. 2016-1.

"CFD Administrator" means an official of the Authority, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of the Special Taxes.

"CFD No. 2016-1" means Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1.

"CFD No. 2016-1 Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Authority for CFD No. 2016-1 under the Act.

"Commercial Property" means all Assessor's Parcels of Developed Property used for hotels, stores, shopping centers, offices, restaurants, banks, nurseries, manufacturing, warehousing, food/mineral processing and industry. Typical County Use Codes include: 070, 071, 072, 074, 080, 083, 085, 116, 120, 121, 122, 123, 131, 140, 150, 151, 152, 153, 160, 161, 170, 171, 172, 173, 180, 181, 182, 183, 184, 185, 190, 191, 192, 200, 201, 202, 210, 211, 220, 221, 222, 223, 230, 231, 232, 250, 251, 260, 261, 262, 310, 320, 321, 322, 323, 330, 331, 340, 341, 342, 343, 344, 345, 350, 351, 352, 353, 354, 360, and 361.

"County" means the County of Santa Cruz.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property, for which the County has assigned a Use Code indicating residential, commercial, agricultural, or recreational use which are not vacant. Agricultural property used for farming is considered Developed Property even if there is no structure on the property.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Homeowner's Exemption" means the \$7,000 assessed value exemption granted for Assessor's Parcels owned and occupied by an owner as their principal residence.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which CFD No. 2016-1 Bonds are issued, as modified, amended and/or supplemented from time to time.

"Maximum Special Tax" means the Maximum Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Multi Family Residential Property" means all Assessor's Parcels of Developed Property with one or more residential structures intended for more than one dwelling unit. Multi Family Residential also includes mobiles homes, condos and townhomes. Typical County Use Codes include: 021, 025, 027, 030, 032, 033, 034, 041, 042, 043, 044, 045, 046, 100, 101, 103, and 104.

"Outstanding Bonds" means all CFD No. 2016-1 Bonds which are outstanding under an Indenture.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property respectively. The term "Proportionately" may similarly be applied to other categories of Taxable Property as listed in Section C below.

"Public Property" means property within the boundaries of CFD No. 2016-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to the federal government, the State, the County, the Authority, or any local government or

other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be classified as Taxable Property, taxed, and classified according to its use.

"Recreational Property" means all Assessor's Parcels of Developed Property used for amusements, sports activities, clubs, camps and conference facilities. Typical County Use Codes include: 600, 601, 602, 603, 610, 611, 612, 613, 614, 615, 620, 621, 622, 631, and 633.

"Single Family Residential Property" means all Assessor's Parcels of Developed Property with a residential structure intended for a single dwelling unit. Typical County Use Codes include: 016, 020, 023, 024, 026, 028, 029, 031, 060, 061, 062, 063, 064, 065, 067, and 068.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2016-1 to fund the Special Tax Requirement.

"Special Tax Requirement " means that amount required in any Fiscal Year for CFD No. 2016-1 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the CFD No. 2016-1 Bonds, including but not limited to, rebate payments on the CFD No. 2016-1 Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of CFD No. 2016-1 facilities eligible to be funded by CFD No. 2016-1 under the Act; (vi) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year; (vii) pay for the accumulation of funds reasonably required for future debt service; (viii) pay lease payments for existing or future facilities; (ix) pay costs associated with the release of funds from an escrow account; less (x) a credit for funds available, if any, to reduce the annual Special Tax levy, as determined by the CFD Administrator.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2016-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Taxable Public Property. Typical County Use Codes include: 010, 011, 015, 040, 050, 051, 052, 053, 054, 055, 056, 057, 058, 059, 05A, 05B, 05C, 05D, 05E, 05F, 05G, 05H, 090, 091, 092, 093, 110, 115, 116, 300, 301, 500, 501, 505, 510, 511, 515, 520, 521, 525, 530, 531, 535, 540, 541, and 545.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor's Parcels of Taxable Property within CFD No. 2016-1 shall be classified as Developed Property, Taxable Public Property, or Undeveloped Property, and all Assessor's Parcels of Developed Property and Taxable Public Property shall be assigned to a Property Type in accordance with Table 1 below and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX

a. Developed Property and Taxable Public Property

(1). Maximum Special Tax

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel is shown in Table 1.

TABLE 1

**Maximum Special Tax for Developed Property
in CFD No. 2016-1 in any Fiscal Year**

Property Type	Per	Maximum Special Tax
Single Family Residential	Unit	\$49.50
Multi Family Residential	Unit	49.50
Agricultural	Parcel	86.00
Commercial	Parcel	86.00
Recreational	Parcel	86.00

(2). Multiple Property Types

In some instances, an Assessor's Parcel of Developed Property may contain more than one property type/use. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all property uses located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2016/17 and for each following Fiscal Year, the Board or its designee shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

Step 1: The Special Tax shall be levied on each Assessor's Parcel of Developed Property, Proportionately, up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding the above the Board may, in any Fiscal year, levy Proportionately less than 100% of the Maximum Special Tax in step one (above), when (i) the Board is no longer required to levy the Special Tax at 100% in order to meet the Special Tax Requirement, and (ii) all authorized CFD No. 2016-1 Bonds have already been issued or the Board has covenanted that it will not issue any additional CFD No. 2016-1 Bonds (except refunding Bonds) to be supported by the Special Tax.

Further, notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2016-1.

E. EXEMPTIONS

No Special Tax shall be levied on Public Property and Undeveloped Property. However, should an Assessor's Parcel no longer be classified as Public Property or Undeveloped Property its tax-exempt status will be revoked. In the case of Public Property and pursuant to Section 53317.3 of the Act, if property not otherwise exempt from the Special Tax levied pursuant to this chapter is acquired by a public entity through a negotiated transaction, or by gift or devise, the special tax shall, notwithstanding Section 53340, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property. However, the public agency that acquires the property may prepay and satisfy the obligation to pay the tax pursuant to Section H below.

Taxable Public Property shall be subject to the levy of the Special Tax, assigned to a Property Type in accordance with the use of the property, and shall be taxed Proportionately as part of the first step in Section D above, at up to 100% of the applicable Maximum Special Tax.

F. APPEALS AND INTERPRETATIONS

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than the June 30th of the Fiscal Year in which the Special Tax is due and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the Board whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the Board requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Tax levy (ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2016-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definition applies to this Section H:

"**CFD Public Facilities**" means either \$78,100,000 in 2016 dollars, which shall increase by the Construction Inflation Index on July 1, 2017, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2016-1 under the authorized bonding program for CFD No. 2016-1, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more CFD No. 2016-1 Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"**Construction Fund**" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible to be funded by CFD No. 2016-1 under the Act.

"**Construction Inflation Index**" means the annual percentage change in the April to April Engineering News-Record Building Cost Index for San Francisco, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the April to April Engineering News-Record Building Cost Index for San Francisco.

"**Future Facilities Costs**" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"**Outstanding Bonds**" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"**Previously Issued Bonds**" means all CFD No. 2016-1 Bonds that have been issued by CFD No. 2016-1 prior to the date of prepayment.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made after at least one series of CFD No. 2016-1 Bonds has been issued and only for Assessor's Parcels of Developed Property or Undeveloped Property for which a Final Subdivision has been recorded prior to January 1 of the prior Fiscal Year, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of CFD No. 2016-1 Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
Total:	equals Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

2. For Assessor's Parcels of Developed Property, compute the Maximum Special Tax applicable for the Assessor's Parcel to be prepaid.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total estimated Maximum Special Tax for CFD No. 2016-1 based on the Developed Property Special Tax which could be charged in the current Fiscal Year, excluding any Assessor's Parcels which have been prepaid, and
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (e.g., the redemption price-100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Add the amounts computed pursuant to paragraphs 8 and 9 to determine the "Defeasance Amount".
11. Verify the administrative fees and expenses of CFD No. 2016-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No.2016-1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.
13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10 and 11, less the amount computed pursuant to paragraph 12 (the "Prepayment Amount").
14. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 10 and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 2016-1.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of CFD No. 2016-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of CFD No. 2016-1 Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on Taxable Property within CFD No. 2016-1 both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding CFD No. 2016-1 Bonds.

2. Prepayment in Part

The Special Tax may be partially prepaid, provided that a partial prepayment may be made after at least one series of CFD No. 2016-1 Bonds has been issued and only for Assessor's Parcels of Developed Property, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = P_E \times F.$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Special Tax Prepayment Amount calculated according to Section H.1

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax.

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the prepayment funds remitted according to Section H.1, and (ii) indicate in the records of CFD No. 2016-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for a period not to exceed 30 years commencing with Fiscal Year 2016/17.

**Santa Cruz Public Libraries
Community Facilities District No. 2016-1
Final Budget for Fiscal Year 2017/18**

Category/Item	FY 2017/18	FY 2016/17	Increase / (Decrease)
Special Tax Levy			
Special Tax Levy	\$4,414,263.00	\$4,414,263.00	\$0.00
Subtotal:	<u>\$4,414,263.00</u>	<u>\$4,414,263.00</u>	<u>\$0.00</u>
Miscellaneous			
Installment rounding	\$38,280.50	(\$432.50)	\$38,713.00
Subtotal:	<u>\$38,280.50</u>	<u>(\$432.50)</u>	<u>\$38,713.00</u>
Grand Total:	\$4,452,543.50	\$4,413,830.50	\$38,713.00
Total Accounts:	90,416	87,087	3,329
Footnotes:			

Santa Cruz Public Libraries
CFD No. 2016-1 2017 Special Tax Bonds
Current Debt Service Schedule

Bonds Dated: 06/15/2017

Bonds Issued: \$21,170,000.00

Payment Date	CUSIP	Interest Rate	Balance	Principal	Interest	Payment Total	Annual Total	Call Premium	Status
03/01/2018		.0000%	\$21,170,000.00	\$0.00	\$569,835.56	\$569,835.56	\$0.00	0.0000%	Unpaid
09/01/2018	80175LAA2	5.0000	21,170,000.00	250,000.00	400,665.63	650,665.63	1,220,501.19	0.0000	Unpaid
03/01/2019		0.0000	20,920,000.00	.00	394,415.63	394,415.63	.00	0.0000	Unpaid
09/01/2019	80175LAB0	5.0000	20,920,000.00	430,000.00	394,415.63	824,415.63	1,218,831.26	0.0000	Unpaid
03/01/2020		0.0000	20,490,000.00	.00	383,665.63	383,665.63	.00	0.0000	Unpaid
09/01/2020	80175LAC8	5.0000	20,490,000.00	450,000.00	383,665.63	833,665.63	1,217,331.26	0.0000	Unpaid
03/01/2021		0.0000	20,040,000.00	.00	372,415.63	372,415.63	.00	0.0000	Unpaid
09/01/2021	80175LAD6	5.0000	20,040,000.00	475,000.00	372,415.63	847,415.63	1,219,831.26	0.0000	Unpaid
03/01/2022		0.0000	19,565,000.00	.00	360,540.63	360,540.63	.00	0.0000	Unpaid
09/01/2022	80175LAE4	5.0000	19,565,000.00	495,000.00	360,540.63	855,540.63	1,216,081.26	0.0000	Unpaid
03/01/2023		0.0000	19,070,000.00	.00	348,165.63	348,165.63	.00	0.0000	Unpaid
09/01/2023	80175LAF1	5.0000	19,070,000.00	520,000.00	348,165.63	868,165.63	1,216,331.26	0.0000	Unpaid
03/01/2024		0.0000	18,550,000.00	.00	335,165.63	335,165.63	.00	0.0000	Unpaid
09/01/2024	80175LAG9	5.0000	18,550,000.00	545,000.00	335,165.63	880,165.63	1,215,331.26	0.0000	Unpaid
03/01/2025		0.0000	18,005,000.00	.00	321,540.63	321,540.63	.00	0.0000	Unpaid
09/01/2025	80175LAH7	5.0000	18,005,000.00	575,000.00	321,540.63	896,540.63	1,218,081.26	0.0000	Unpaid
03/01/2026		0.0000	17,430,000.00	.00	307,165.63	307,165.63	.00	0.0000	Unpaid
09/01/2026	80175LAJ3	5.0000	17,430,000.00	605,000.00	307,165.63	912,165.63	1,219,331.26	0.0000	Unpaid
03/01/2027		0.0000	16,825,000.00	.00	292,040.63	292,040.63	.00	0.0000	Unpaid
09/01/2027	80175LAK0	5.0000	16,825,000.00	635,000.00	292,040.63	927,040.63	1,219,081.26	0.0000	Unpaid
03/01/2028		0.0000	16,190,000.00	.00	276,165.63	276,165.63	.00	0.0000	Unpaid
09/01/2028	80175LAL8	4.0000	16,190,000.00	665,000.00	276,165.63	941,165.63	1,217,331.26	0.0000	Unpaid
03/01/2029		0.0000	15,525,000.00	.00	262,865.63	262,865.63	.00	0.0000	Unpaid
09/01/2029	80175LAM6	4.0000	15,525,000.00	690,000.00	262,865.63	952,865.63	1,215,731.26	0.0000	Unpaid
03/01/2030		0.0000	14,835,000.00	.00	249,065.63	249,065.63	.00	0.0000	Unpaid
09/01/2030	80175LAN4	4.0000	14,835,000.00	720,000.00	249,065.63	969,065.63	1,218,131.26	0.0000	Unpaid
03/01/2031		0.0000	14,115,000.00	.00	234,665.63	234,665.63	.00	0.0000	Unpaid
09/01/2031	80175LAP9	3.0000	14,115,000.00	750,000.00	234,665.63	984,665.63	1,219,331.26	0.0000	Unpaid
03/01/2032		0.0000	13,365,000.00	.00	223,415.63	223,415.63	.00	0.0000	Unpaid
09/01/2032	80175LAQ7	3.0000	13,365,000.00	770,000.00	223,415.63	993,415.63	1,216,831.26	0.0000	Unpaid
03/01/2033		0.0000	12,595,000.00	.00	211,865.63	211,865.63	.00	0.0000	Unpaid
09/01/2033	80175LAR5	3.0000	12,595,000.00	795,000.00	211,865.63	1,006,865.63	1,218,731.26	0.0000	Unpaid
03/01/2034		0.0000	11,800,000.00	.00	199,940.63	199,940.63	.00	0.0000	Unpaid
09/01/2034	80175LAS3	3.1250	11,800,000.00	815,000.00	199,940.63	1,014,940.63	1,214,881.26	0.0000	Unpaid
03/01/2035		0.0000	10,985,000.00	.00	187,206.25	187,206.25	.00	0.0000	Unpaid
09/01/2035	80175LAT1	3.1250	10,985,000.00	845,000.00	187,206.25	1,032,206.25	1,219,412.50	0.0000	Unpaid
03/01/2036		0.0000	10,140,000.00	.00	174,003.13	174,003.13	.00	0.0000	Unpaid
09/01/2036	80175LAU8	3.2500	10,140,000.00	870,000.00	174,003.13	1,044,003.13	1,218,006.26	0.0000	Unpaid
03/01/2037		0.0000	9,270,000.00	.00	159,865.63	159,865.63	.00	0.0000	Unpaid
09/01/2037		3.3750	9,270,000.00	895,000.00	159,865.63	1,054,865.63	1,214,731.26	0.0000	Unpaid

Santa Cruz Public Libraries
CFD No. 2016-1 2017 Special Tax Bonds
Current Debt Service Schedule

Bonds Dated: 06/15/2017

Bonds Issued: \$21,170,000.00

Payment Date	CUSIP	Interest Rate	Balance	Principal	Interest	Payment Total	Annual Total	Call Premium	Status
03/01/2038		0.0000	8,375,000.00	.00	144,762.50	144,762.50	.00	0.0000	Unpaid
09/01/2038		3.3750	8,375,000.00	930,000.00	144,762.50	1,074,762.50	1,219,525.00	0.0000	Unpaid
03/01/2039		0.0000	7,445,000.00	.00	129,068.75	129,068.75	.00	0.0000	Unpaid
09/01/2039		3.3750	7,445,000.00	960,000.00	129,068.75	1,089,068.75	1,218,137.50	0.0000	Unpaid
03/01/2040		0.0000	6,485,000.00	.00	112,868.75	112,868.75	.00	0.0000	Unpaid
09/01/2040	80175LAV6	3.3750	6,485,000.00	990,000.00	112,868.75	1,102,868.75	1,215,737.50	0.0000	Unpaid
03/01/2041		0.0000	5,495,000.00	.00	96,162.50	96,162.50	.00	0.0000	Unpaid
09/01/2041		3.5000	5,495,000.00	1,025,000.00	96,162.50	1,121,162.50	1,217,325.00	0.0000	Unpaid
03/01/2042		0.0000	4,470,000.00	.00	78,225.00	78,225.00	.00	0.0000	Unpaid
09/01/2042		3.5000	4,470,000.00	1,060,000.00	78,225.00	1,138,225.00	1,216,450.00	0.0000	Unpaid
03/01/2043		0.0000	3,410,000.00	.00	59,675.00	59,675.00	.00	0.0000	Unpaid
09/01/2043		3.5000	3,410,000.00	1,100,000.00	59,675.00	1,159,675.00	1,219,350.00	0.0000	Unpaid
03/01/2044		0.0000	2,310,000.00	.00	40,425.00	40,425.00	.00	0.0000	Unpaid
09/01/2044		3.5000	2,310,000.00	1,135,000.00	40,425.00	1,175,425.00	1,215,850.00	0.0000	Unpaid
03/01/2045		0.0000	1,175,000.00	.00	20,562.50	20,562.50	.00	0.0000	Unpaid
09/01/2045	80175LAW4	3.5000	1,175,000.00	1,175,000.00	20,562.50	1,195,562.50	1,216,125.00	0.0000	Unpaid
Grand Total:			\$21,170,000.00	\$21,170,000.00	\$12,922,351.37	\$34,092,351.37	\$34,092,351.37		



STAFF REPORT

AGENDA: May 3, 2018
DATE: April 27, 2018, 2018
TO: Board of Directors
FROM: Libraries Facilities Financing Authority Treasurer-Controller
SUBJECT: Libraries Facilities Financing Authority Proposed Budget for FYR 2018-2019

RECOMMENDATION

Approve the Proposed 2018-2019 Libraries Facilities Financing Authority (LFFA) Budgets including the General Fund Proposed Budget and the Debt Service Fund Proposed Budget.

DISCUSSION

The attached 2018-2019 Proposed Budgets reflect the anticipated Sources and Uses of LFFA funds. The budget does not reflect the issuance of a second bond during 2018-2019. If the Board decides to issue the second bond during 2018-2019 a revised Budget would be prepared and submitted to your Board.

The LFFA Amended and Restated Joint Exercise of Powers Agreement provides that net special taxes and bond proceeds are to be distributed to the jurisdictions in the maximum amounts specified below using the percentages specified below. The City of Capitola has reached its maximum amount and is not budgeted to receive allocations in the 2018-2019 budget.

	Maximum Amount	Percentage
City of Capitola	\$8,000,000	12.90
City of Santa Cruz	\$25,000,000	40.32
City of Scotts Valley	\$3,000,000	4.84
County of Santa Cruz	\$26,000,000	41.94
Total	\$62,000,000	100.00

Libraries Facilities Financing Authority
Fund 76-190
Budget Summary
2018-2019 Proposed Budget

GL Key	Description	Total Financing Sources			Total Financing Uses			
		Fund Balance Available June 30, 2018	Decrease to Obligated Fund Balances	Additional Financing Sources	Total Available Financing	Financing Uses	Increase to Obligated Fund Balances	Total Financing Uses
701300	SC LIBRARIES FAC FIN AUTH LFFA	\$ -	\$ -	\$ 4,399,215	\$ 4,399,215	\$ 4,399,215	\$ -	\$ 4,399,215
701310	SC LIBRARIES FAC FIN-DEBT	\$ 650,666	\$ -	\$ 1,240,831	\$ 1,891,497	\$ 1,067,081	\$ 824,416	\$ 1,891,497

Projected allocation of Phase II Bond Proceeds - projections will change as Members receive allocations of tax revenues.

IMPROVEMENT FUNDS HELD FOR AGENCIES AT BNY, TRUSTEE:

701392	SCLFFA-COUNTY IMPR	\$ 12,379,165	\$ -	\$ 9,383,709	\$ 22,432,624	\$ 22,432,624	\$ -	\$ 22,432,624
701393	SCLFFA-CITY SC IMPR	\$ 500,000	\$ -	\$ 19,014,115	\$ 21,432,333	\$ 21,432,333	\$ -	\$ 21,432,333
701394	SCLFFA-CAPITOLA IMPR	\$ 7,526,447	\$ -	\$ -	\$ 7,526,447	\$ 7,526,447	\$ -	\$ 7,526,447
701395	SCLFFA-SCOTT'S VLY IMPR	\$ 500,000	\$ -	\$ 1,918,046	\$ 2,611,271	\$ 2,611,271	\$ -	\$ 2,611,271
	SUBTOTAL IMPRVMT FUNDS HELD AT BNY	\$ 20,905,612	\$ -	\$ 30,315,870	\$ 54,002,675	\$ 54,002,675	\$ -	\$ 54,002,675
701396	SCLFFA-BNY IMPR INTEREST	\$ 125,426	\$ -	\$ 100,000	\$ 225,426	\$ -	\$ 225,426	\$ 225,426

Libraries Facilities Financing Authority
 General Fund - 76190
 Proposed Budget

FISCAL YEAR 2018-19

2016-17	2017-18	2017-18	2017-18	2017-18	2018-19
Actuals	YTD Adj Budget	YTD Actuals	Estimated Actuals	Proposed Budget	
\$ 4,360,832	\$ 4,405,137	\$ 4,178,776	\$ 4,395,215	\$ 4,395,215	
\$ 4,565	\$ 4,000	\$ 8,703	\$ 8,703	\$ 4,000	
\$ 4,365,397	\$ 4,409,137	\$ 4,187,479	\$ 4,403,918	\$ 4,399,215	
\$ 454,732	\$ 96,501	\$ 5,000	\$ 91,282	\$ 100,000	
\$ 473,554	\$ -	\$ -	\$ -	\$ -	
\$ 1,480,128	\$ 2,087,539	\$ 730,639	\$ 2,087,539	\$ 1,918,218	
\$ 177,674	\$ 210,684	\$ 73,739	\$ 210,684	\$ 193,596	
\$ 1,539,598	\$ 1,030,123	\$ 360,543	\$ 1,030,123	\$ 946,570	
\$ -	\$ 1,224,001	\$ 1,224,001	\$ 1,224,001	\$ 1,240,831	
\$ 4,125,686	\$ 4,648,848	\$ 2,393,922	\$ 4,643,629	\$ 4,399,215	
\$ 239,711	\$ (239,711)	\$ 1,793,557	\$ (239,711)	\$ -	
\$ -	\$ 239,711	\$ 239,711	\$ 239,711	\$ -	
\$ 239,711	\$ -	\$ 2,033,268	\$ -	\$ -	

Libraries Facilities Financing Authority
 Debt Service Fund - 76191
 Proposed Budget

FISCAL YEAR 2018-19

Object Title	6/30/2018 YTD Adopted Budget	6/30/2018 YTD Adjusted Budget	6/30/2018 Year-To-Date Actual	6/30/2018 Estimated Actual	6/30/2019 Proposed Budget
Fund 76191 -- SC LIBRARIES FAC FIN-DEBT					
GL Key 701310 -- SC LIBRARIES FAC FIN-DEBT					
Revenues					
42462 OPERATING TRANSFER IN	\$ -	\$ 1,220,501	\$ 1,224,002	\$ 1,224,002	\$ 1,240,831
Total Revenues	\$ -	\$ 1,220,501	\$ 1,224,002	\$ 1,224,002	\$ 1,240,831
Expenditures					
62345 FISCAL AGENTS FEES	\$ -	\$ 3,500	\$ 3,500	\$ 3,500	\$ 22,000
74110 PRINCIPAL ON LONG-TERM DEBT	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
74425 INTEREST ON LONG-TERM DEBT	\$ -	\$ 967,001	\$ 569,836	\$ 569,836	\$ 795,081
Total Expenditures	\$ -	\$ 1,220,501	\$ 573,336	\$ 573,336	\$ 1,067,081
Revenues less Expenses	\$ -	\$ -	\$ 650,666	\$ 650,666	\$ 173,750
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 650,666
Ending Fund Balance	\$ -	\$ -	\$ 650,666	\$ 650,666	\$ 824,416