

# LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)

On Thursday October 31, 2024 at 9:00 AM

All LFFA Board Meetings are held in-person and open to the public. Members of the public may also view the meetings via the alternative methods provided below as a courtesy. Please note that if the Zoom or YouTube connection malfunctions for any reason, and no Board Members are attending via teleconference, the meeting will continue in-person without remote access.

## **Public Viewing:**

The meeting will be broadcast through the Santa Cruz Libraries YouTube channel <https://www.youtube.com/user/SantaCruzPL> which you can access through the Santa Cruz Libraries website by scrolling to the bottom of the page and clicking on the YouTube icon. The meetings will be recorded and posted for viewing after the meetings on the Santa Cruz Public Libraries website.

## **Public Participation:**

Members of the public may provide public comments to the Board in-person during the meeting for any item on the agenda or within the subject matter jurisdiction of the Board. Any public comment for a specific item on the agenda must be received prior to the close of the public comment period for that item.

Any person who is not able to attend in-person may submit a written comment as indicated below. Submitted written public comments will be included as part of the record of the meeting, either in Written Correspondence or in the Minutes, depending on when received by staff. Please be aware that the Board will not accept comments via Zoom nor read aloud written comments during the meeting.

## **How to comment on agenda items via email before the meeting begins:**

Members of the public may provide public comment by sending an email to the Library Board Clerk at [clerk@santacruzpl.org](mailto:clerk@santacruzpl.org).

- Identify the agenda item number in the subject line of the email.
- Emailed comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time.
  
- All correspondences and written comments received prior to 12:00 p.m. on the Wednesday preceding a Board Meeting will be distributed to Board members to review prior to the meeting with the published Agenda packet. Written comments submitted after the Agenda and packet have been published will be distributed as Additional Materials at the commencement of the meeting.

Chair Jamie Goldstein  
Vice Chair Matt Huffaker  
Board Member Mali LaGoe  
Board Member Carlos Palacios



## SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)

# SPECIAL MEETING

THURSDAY OCTOBER 31, 2024

9:00 A.M.

**In-Person Location:**  
**Downtown Branch Library**  
**224 Church Street, Santa Cruz, CA 95060**

### **PLEASE NOTE:**

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](mailto:library_admin@santacruzpl.org).

**Agenda and Agenda Packet Materials:** The LJPA agendas and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the website: [www.santacruzpl.org](http://www.santacruzpl.org) and at Library Headquarters, located at 117 Union Street, Santa Cruz, California, during normal business hours.

**Agenda Materials Submitted after Publication of the Agenda Packet:** Pursuant to Government Code §54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the time they are distributed or made available to the legislative body on the website at: [www.santacruzpl.org](http://www.santacruzpl.org) and are also available for public inspection at Library Headquarters, 117 Union Street Santa Cruz, California, during normal business hours, and at the LJPA meeting.

Need more information? Contact clerk's office at 831-427-7700 ext. 7618.

**1. CALL TO ORDER / ROLL CALL**

Board Members Carlos Palacios, Matt Huffaker, Jamie Goldstein, and Mali LaGoe

**2. ADDITIONAL MATERIALS**

*Additional information submitted after distribution of the agenda packet.*

**3. ADDITIONS AND DELETIONS TO AGENDA**

**4. PUBLIC COMMENT**

*Any member of the community may address the Board during this Public Comment period on any "Consent Calendar" item on today's agenda or on any topic not on today's agenda but within the subject matter jurisdiction of the Board. Please note, however, that for non-agendized items, the Board is not able to undertake extended discussion or take any action today without notice. Such items may be referred to staff for appropriate action, such as individual follow-up or placement on a future agenda. If you intend to address a subject or item that is on the Agenda, please hold your comments until that item is before the Board so that we may properly address all comments on that subject at the same time. In general, 3 minutes will be permitted per speaker during Public Comment; A MAXIMUM of 30 MINUTES is set aside for Public Comment at this time.*

**5. REPORT BY LIBRARY DIRECTOR**

A. Library Director's Report - October 2024 (p.5)

**6. CONSENT CALENDAR**

*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 the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.*

A. Consider the August 1, 2024, LFFA Board Meeting Minutes  
Staff Recommendation: Approve Board Meeting Minutes for August 1, 2024 (p.6-7)

B. Consultant Contracts for Bond Issue  
Staff Recommendation: Approve the Special Tax Consultant Agreement and the Disclosure Counsel Agreement for the third series of the CFD Special Tax Bonds and authorize the Chair of the Board of Directors to sign the agreements. (p.8-24)

- C. Special Tax Bond Quarterly Financial Reports as of September 30, 2024  
Staff Recommendation: Accept and file the attached financial statements of the Community Facilities District No. 2016-1 as of September 30, 2024. (p.25-27)
- D. Annual Meeting Schedule 2025  
Staff Recommendation: Adopt Annual Meeting Schedule 2025 (p.28-29)
- E. Communities Facilities District No.2016-1 – FY 2024/25 Annual Report  
Staff Recommendation: Accept FY 2024/25 Annual Report (p.30-55)
- F. Community Facilities District Annual Reports FY 2023/2024  
Staff Recommendation: Accept the Annual Community District Reports for the fiscal year ended June 30, 2024. (p. 56-64)

**7. GENERAL BUSINESS**

*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.*

**8. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS**

**9. SCHEDULED UPCOMING MEETINGS**

<b>February 6, 2025</b>	<b>Aptos Branch Library</b>	<b>Anticipated Upcoming Agenda Items:</b>
<b>9:00 am</b>	<b>7695 Soquel Drive, Aptos CA 95003.</b>	<b>1. Elect Chair and Vice Chair</b>

**10. ADJOURNMENT**

Adjourned to the next regular meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday, February 6, 2025 at 9:00 am at the Aptos Branch Library, 7695 Soquel Drive, Aptos CA 95003.

**11. WRITTEN CORRESPONDENCE**

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](mailto:library_admin@santacruzpl.org).

**October 31, 2024**

**Director's Report to the Library Facilities Financing Authority**

APTOS: Construction Complete

BOULDER CREEK: Construction Complete

We are pleased to report that Jayson Architecture has received a 2024 Design Awards Citation from the AIA California for the Boulder Creek Library renovation. The seasonal sun-shade project courtesy of Supervisor McPherson's office is tentatively dated to be completed by December 31, 2024. We have experienced some difficulty in acquiring the powder-coated, stainless steel posts required for the sun shade. When the posts are installed it will be roughly 6-8 weeks for the sun shade to be manufactured. Additionally we have been experiencing plumbing issues relating to how toilet fixtures were attached to the existing septic pipe during the renovation. To facilitate resolving them we will be installing an additional clean out point directly in the building and installing smoother connections between the new pipes and the existing one. We will also get a quote to replace the existing, older pipe altogether.

BRANCIFORTE: Construction Complete

CAPITOLA: Construction Complete

DOWNTOWN SANTA CRUZ: The library at 224 Church Street remains open.

FELTON: Construction Complete

GARFIELD PARK: Construction Complete

LA SELVA BEACH: Construction Complete

The installation of a glass awning over the Florida Avenue entrance is complete and has been signed off by the County.

LIVE OAK ANNEX at Simpkins Swim Center: Construction began April 2022

Construction delays continue on the wrap of the roof's exterior and some punch list items such as non-functioning electrical outlets have been fixed but other issues are still unresolved. Library programs including After School Programming, English Conversation Classes and READ tutoring are regularly underway. Reservable study rooms are in heavy use. The small browsing collection of books is slated to arrive early November. A ribbon cutting open house event is scheduled for Saturday, November 23<sup>rd</sup>.

SCOTTS VALLEY: Construction Complete

Chair Jamie Goldstein  
Vice Chair Matt Huffaker  
Board Member Mali LaGoe  
Board Member Carlos Palacios



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

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

**In person and online provided meeting**

**REGULAR MEETING MINUTES  
THURSDAY AUGUST 1, 2024**

**9:00 A.M.**

**1. ROLL CALL**

**PRESENT:** Carlos Palacios, Chloe Woodmansee, Mali LaGoe, Matt Huffaker  
**STAFF:** Christopher Platt, Library Director

**2. ADDITIONAL MATERIALS**

None

**3. ADDITIONS AND DELETIONS TO AGENDA**

The Agenda of August 1, 2024 was approved by consensus.

**4. ORAL COMMUNICATION**

None

**5. LIBRARY DIRECTOR REPORT**

A. Library Director's Report – August 1, 2024

Library Director Christopher Platt presented his report on the recent activities of the libraries and the status of facilities.

**6. CONSENT CALENDAR**

**RESULT: APPROVED CONSENT CALENDAR**

- A. Approved Minutes of June 6, 2024.**
- B. Accepted and Filed the Attached Financial Statements of the Community Facilities District No. 2016-1 as of June 30, 2024.. [UNANIMOUS]**

**MOVER:** Carlos Palacios  
**SECONDER:** Mali LaGoe  
**AYES:** Palacios, Goldstein, LaGoe, Woodmansee

**7. GENERAL BUSINESS**

None

**8. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS**

None

**9. SCHEDULED UPCOMING MEETINGS**

**10. ADJOURNMENT**

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:08 a.m. to the Regular Meeting on Thursday November 7, 2024 at 9:00 a.m. at the Downtown Branch Library, 224 Church Street, Santa Cruz, CA 95060.

**11. WRITTEN CORRESPONDENCE**

None

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.

Chair                    Jamie Goldstein  
Vice Chair            Matt Huffaker  
Board Member        Mali LaGoe  
Board Member        Carlos Palacios



## STAFF REPORT

AGENDA:        October 31, 2024  
TO:                Libraries Facilities Financing Authority Board  
FROM:            Edith Driscoll, Treasurer  
RE:                Consultant Contracts for Bond Issuance

### RECOMMENDATION

Approve the Special Tax Consultant Agreement and the Disclosure Counsel Agreement for the third series of the CFD Special Tax Bonds and authorize the Chair of the Board of Directors to sign the agreements.

### DISCUSSION

The Santa Cruz Libraries Facilities Financing Authority Community Facilities District (CFD), was formed for the purpose of levying a special tax to fund Library Facilities of each of the members. The CFD began levying the special tax in 2016-17. The taxes may be levied for a total of 30 years. Harrell & Company Advisors (the LFFA Municipal Advisor) developed a funding template that provided for a combination of tax revenue and special tax bond proceeds sufficient to meet the Library Facilities construction financing needs of each member over time, while raising the bond proceeds as cost efficiently as possible.

The first series of special tax bonds was issued in 2017 and raised \$21.6 million. The second series of special tax bonds was issued in 2020 and raised \$19.1 million.

The City of Santa Cruz currently expects to need the funding from the third series of bonds in March 2025. In connection therewith, the Board requires assistance from the LFFA Municipal Advisor, Bond Counsel, Special Tax Consultant and Disclosure Counsel to provide standard services for planning for and issuance of the third series of special tax bonds. The Board has already approved contracts with the Municipal Advisor and Bond Counsel.

The attached agreements with NBS Government Finance Group (Special Tax Consultant) and Best Best & Krieger (Disclosure Counsel) for the third series of special tax bonds is recommended for approval. NBS Government Finance Group (NBS) provided similar services for the first 2 series of bonds, and is responsible for calculating the annual tax levy for the CFD. The attorney who provided disclosure counsel services on the first 2 series of bonds has retired. To select a replacement firm, 3 quotes were obtained – from Jones Hall (LFFA Bond Counsel), from Best Best & Krieger (BBK) and from Norton Rose Fulbright. Best Best & Krieger proposed the lowest fee.



The fees payable to the NBS and BBK are contingent on the sale of the bonds. The NBS proposed fee is \$15,500 with an expense limit of \$2,750. The BBK proposed fee is \$12,000.

As noted, the third series of Special Tax Bonds is planned for March 2025. Staff anticipates that the approval to issue the bonds will be presented to the Board at its February 2025 meeting. Currently, there is a balance of \$14.3 million in remaining taxes/bond proceeds to be distributed to the City of Santa Cruz. By the time the bonds are issued, \$1.3 million is anticipated to be remitted to the City from 2024-25 special taxes, leaving an estimated balance to be funded from the bonds of \$13 million.

Attachment:

NBS Agreement  
BBK Agreement

# CONSULTING AGREEMENT

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This Consulting Agreement (Agreement) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2024, by and between NBS GOVERNMENT FINANCE GROUP, a California corporation, dba NBS (“NBS”), and SANTA CRUZ PUBLIC LIBRARIES LFFA (“Client”).

## RECITALS

A. The Client desires to obtain certain consulting services for Community Facilities District Bond Issuance Disclosure Services.

B. The Client desires to engage NBS as an independent contractor to perform such services on the terms and conditions set forth herein.

In consideration of the foregoing and of the mutual promises set forth herein, and intending to be legally bound, the parties hereto agree as follows:

## AGREEMENT

1. Services. NBS shall perform the scope of services described in Exhibit A, which is attached hereto and incorporated herein by reference (“Services”). Any other services required or requested by Client shall be subject to mutual agreement of the parties and may be subject to additional scope of work and fee negotiations.

2. Term. The term of this Agreement shall commence when agreement is fully executed and shall expire upon completion of Scope of Services herein described in Exhibit A (through bond issuance).

3. Compensation. Compensation to be paid by Client to NBS shall be in accordance with the schedule set forth in Exhibit B, which is attached hereto and incorporated herein by reference. Client and NBS recognize that the scope of the project may change from that defined in Exhibit A and that significant changes in the scope of services will require renegotiation of fees.

4. Expenses. Except certain billable expenses as set forth in Exhibit B, NBS will be responsible for all of its expenses incurred in performing the Services hereunder.

5. Qualifications of NBS. Client has relied upon the professional training and ability of NBS to perform Services hereunder as a material inducement to enter into this Agreement. NBS shall therefore provide properly skilled professional and technical personnel to perform all Services under this Agreement. All work performed by NBS under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in NBS’ field of expertise.

6. Independent Contractor Status. The relationship of NBS and Client hereunder is an independent contractor relationship and nothing in this Agreement shall be construed to create any other relationship. No agent, employee, or representative of NBS shall be deemed to be an agent, employee, or representative of Client for any purpose. NBS agrees that neither it nor any of its employees, is entitled to the rights or benefits afforded to Client’s employees, including disability or unemployment insurance, workers' compensation, medical insurance, sick leave, or any other employment benefit. NBS is responsible for providing, at its own expense, disability, unemployment,

workers' compensation, training, permits, and licenses for its employees. NBS does not have, nor shall it hold itself out as having, any right, power or authority to create any contract or obligation, either express or implied, on behalf of, in the name of, or binding Client.

7. Income Taxes. NBS is responsible for paying when due all federal, state and local income taxes, incurred as a result of the compensation paid by Client to NBS for Services under this Agreement. NBS agrees to indemnify Client for any claims, costs, losses, fees, penalties, interest, or damages suffered by Client resulting from NBS' failure to comply with this provision.

8. Insurance Requirements. NBS, at its own cost and expense, shall procure and maintain, for the duration of this Agreement, commercial general liability insurance (said insurance shall have a limit for each occurrence of at least Two Million Dollars (\$2,000,000), and Four Million Dollars \$4,000,000 aggregate) naming Santa Cruz Public Libraries LFFA as additional insured, in connection with NBS' activities, officers, employees, officials, agents, officers, staff and Board members), workers' compensation insurance and employer's liability insurance as required by the State of California (said insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease), and professional errors and omissions liability insurance (said insurance shall cover NBS' performance under this Agreement with a limit of liability of at least Two Million Dollars (\$2,000,000) for any one claim and aggregate), and automobile insurance with a limit of at least One Million Dollars (\$1,000,000). Prior to commencement of the Services, NBS shall deliver to Client a Certificate of Insurance evidencing compliance with this paragraph. The certificate shall stipulate that advance written notice of cancellation of the required policy shall be given to the Client by any and all insurance companies.

9. Client's Responsibilities. The Client shall furnish NBS with any pertinent information that is available to Client and applicable to the Services. The Client shall designate a person to act with authority on its behalf in respect to the Services. The Client shall promptly respond to NBS' requests for reviews and approvals of its work, and to its requests for decisions related to the Services. Client understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, "Information") supplied to NBS by Client or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to Client or any third party if such Information is not correct.

10. Indemnification. NBS shall defend, indemnify and hold harmless Client, its officers, employees, officials and agents from and against all claims, demands, losses, liabilities, costs and expenses, including reasonable attorneys' fees, (collectively "Liabilities") arising out of or resulting from the negligence or willful misconduct of NBS or a breach by NBS of its obligations under this Agreement, except to the extent such Liabilities are caused by the negligence or willful misconduct of Client. NBS will not be liable to the Client or anyone who may claim any right due to a relationship with Client, for any acts or omissions in the performance of Services under this Agreement, unless those acts or omissions are due to the negligence or willful misconduct of NBS. Except in the case of NBS' negligence, willful misconduct or breach of its obligations under this Agreement, Client shall defend, indemnify and hold harmless NBS, its officers, directors, shareholders, employees and agents from and against all Liabilities to the extent that such Liabilities arise out of NBS performing Services pursuant to the terms of this Agreement, including, without limitation, any Liabilities arising as a result of Client or any of its agents or contractors supplying incorrect Information or documentation to NBS. The provisions of this Section 10 shall survive termination of this Agreement.

11. Limitation of Liabilities. Client hereby agrees that to the fullest extent permitted by law, NBS' total liability to Client for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to NBS' Services under this Agreement from any cause or causes, including but not limited to NBS' negligence, errors, omissions or breach of contract (hereafter "Client claims") shall not exceed the total sum paid on behalf of or to NBS by NBS' insurers in settlement or satisfaction of Client claims under the terms and conditions of NBS' insurance policies applicable thereto. The provisions of this Section 11 shall survive termination of this Agreement.

12. Equal Opportunity Employment. NBS represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, gender identity, sexual orientation, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

13. Attorneys' Fees. In the event of any action or other proceeding, including arbitration or other non-judicial proceedings, arising from, in, under or concerning this Agreement and any amendment thereof, including, without limiting the generality of the foregoing, any claimed breach hereof, the prevailing party in such action or proceeding shall be entitled to recover from the other party in such action or proceeding, such sum as the court shall fix as reasonable attorneys' fees incurred by such prevailing party.

14. Compliance with Law. In connection with the services rendered hereunder, NBS agrees to abide by all federal, state, and local laws, ordinances and regulations.

15. Entire Agreement; Amendment. This Agreement, including the Exhibits attached hereto, constitutes the final, complete and exclusive statement of the terms of the agreement between Client and NBS with respect to the transactions contemplated hereby and supersedes all prior and contemporaneous agreements, arrangements or understandings between them with respect thereto. This Agreement may not be amended, modified or changed except by instruments in writing signed by all of the parties hereto.

16. Nonwaiver. No failure or neglect of either party hereto in any instance to exercise any right, power or privilege hereunder or under law shall constitute a waiver of any other right, power or privilege or of the same right, power or privilege in any other instance. All waivers by either party hereto must be contained in a written instrument signed by the party to be charged.

17. Controlling Law; Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of California without reference to its choice of law provisions. The parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on *Forum Non Conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in the manner, or in any of the jurisdictions, provided herein.

18. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

19. Further Assurances. The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

20. Successors and Assigns. NBS and Client each binds itself, its partners, its successors, legal representatives and assigns to the other party of this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect of all covenants and agreements contained herein.

21. Notices. All notices, requests, demands, and other communications required to or permitted to be given under this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party; or (b) when received when sent by e-mail, facsimile or similar electronic delivery at the address and number set forth below (provided, however, that the receiving party confirms receipt of such notice by e-mail, facsimile or any other method permitted hereunder, and that any notice given by e-mail or facsimile shall be deemed received on the next business day if such notice is received after 5:00 p.m. (recipient's time) or on a non-business day); or (c) three business days after the same have been deposited in a United States post office with first class or certified mail return receipt requested postage prepaid and addressed to the parties as set forth below; or (d) the next business day after same has been deposited with a reputable overnight delivery service reasonably known by the parties (such as FedEx, DHL, GLS, USPS Priority Mail, etc.), postage prepaid, addressed to the parties as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

If to NBS:

NBS Government Finance Group  
Attention: Michael Rentner, Chief Executive Officer  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Telephone: (951) 296-1997  
Fax No.: (951) 296-1998  
E-Mail: mrentner@nbsgov.com

If to Client:

Santa Cruz Public Libraries LFFA  
Attention: Library Director  
117 Union Street  
Santa Cruz, CA 95060  
Telephone: (831) 427-7700

22. References and Titles. All references in this Agreement to Articles, Sections, Subsections and other subdivisions refer to corresponding Articles, Sections, Subsections and other subdivisions of this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any subdivision are for convenience only and do not constitute any part of such subdivision and shall be disregarded in construing the language contained in such subdivision. The words this Agreement, this instrument, herein, hereof, hereby, hereunder, and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

23. Time. Time is of the essence.



24. No Third Party Beneficiaries. Nothing contained in this Agreement is intended to and nothing contained herein shall be interpreted to confer on any party the rights of a third party beneficiary and this Agreement shall be for the sole benefit of the parties hereto.


25. Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstances is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will, nevertheless, continue in full force and effect without being impaired or invalidated in any way.

26. Language. The language of this Agreement shall be construed as a whole and in accordance with the fair meaning of the language used. The language of this Agreement shall not be strictly construed against either party based upon the fact that either party drafted or was principally responsible for drafting this Agreement or any specific term or condition hereof.

27. Termination. This Agreement may be terminated by either party by giving thirty (30) business days written notice to the other party of its intent to terminate this Agreement. Upon termination, NBS shall be entitled to compensation for services performed up to the effective date of termination and Client shall be entitled to all work performed to that date.

IN WITNESS WHEREOF, Client and NBS have executed this Agreement on the day and year first above written.

**NBS**  
NBS GOVERNMENT FINANCE GROUP,  
a California corporation, dba NBS

By:   
Name: Michael Rentner  
Title: Chief Executive Officer  
Date: September 23, 2024


**CLIENT**  
SANTA CRUZ PUBLIC LIBRARIES LFFA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Attachments:

- Exhibit A: NBS Scope of Services
- Exhibit B: Compensation for Services
- Exhibit C: Municipal Advisor Disclosure

Approved as to Form:

 9/24/2024  
Santa Cruz County Counsel's Office  
Legal Counsel to the LFFA

# EXHIBIT A

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## NBS SCOPE OF SERVICES

### Community Facilities District (CFD) Bond Issuance Disclosure

#### KICK-OFF MEETING, PROJECT SCHEDULE

NBS will meet with Client staff, legal counsel, any financial advisor and other interested parties to:

- Establish lines of communication
- Clarify the specific project goals and criteria that will meet the Client's preference
- Identify and resolve any special circumstances regarding the bond issuance
- Develop project schedules to meet legal requirements and provide for effective interaction of all involved parties
- Establish meeting dates consistent with schedule to achieve project milestones

#### LOCAL GOALS & POLICIES

NBS will review existing local goals and policies as required by the Mello-Roos Community Facilities Act of 1982 (the "Act").

#### DATA COLLECTION

NBS will gather and review data relevant to the bond issuance. Data will be obtained from various sources, including Client records, Assessor's parcel maps, and County Assessor information.

#### PROPERTY DATA

NBS will provide certain disclosure data for the bond offering documents. Such data shall include parcel data, assessed value data, land use, development status and special tax classification information. NBS will also coordinate with the financing team to order overlapping debt data and sample tax bills, as requested.

#### REVIEW BOND DOCUMENTS

NBS will review all bond documents prepared and provided by bond or other legal counsel and the financial advisor including the Official Statement, the Bond Indenture and the Continuing Disclosure Agreement.

#### DATA PROCESSING

NBS will process the property data and provide the following as requested:

- Current and prior years' special tax delinquencies.
- Assessed Valuation History
- Top CFD Property Owners
- Value to Lien Calculations

# EXHIBIT B

## COMPENSATION FOR SERVICES

### CFD Bond Issuance Disclosure

Consulting Fee.....	\$15,500
Estimated Expenses <sup>(1)</sup> .....	\$2,750
Total Not to Exceed.....	\$18,250

<sup>(1)</sup> See description of expenses below

### EXPENSES

Customary out-of-pocket expenses will be billed to the Client at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

### ADDITIONAL SERVICES

The following table shows our current hourly rates. Additional services authorized by the Client but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director / Senior Review	\$250
Associate Director / Engineer	\$225
Senior Consultant	\$200
Consultant	\$175
Senior Project Analyst	\$165
Project Analyst	\$150
Project Resource Analyst	\$130
Clerical / Support	\$110

### TERMS

Consulting services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. Fees for all other services will be invoiced upon completion of the task. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month.





# EXHIBIT C

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## MUNICIPAL ADVISOR DISCLOSURE

### Disclosure of Conflicts of Interest and Legal or Disciplinary Events

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of NBS and its associated persons.

#### CONFLICTS OF INTEREST

##### Compensation

NBS represents that in connection with the issuance of municipal securities, NBS may receive compensation from an Issuer or Obligated Person for services rendered. Any such compensation may be contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, NBS hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NBS’ ability to provide unbiased advice to enter into such transaction. This conflict of interest does not impair NBS’ ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e., hourly or fixed-fee based) may also present a potential conflict of interest regarding NBS’ ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair NBS’ ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

The fee paid to NBS increases the cost of investment to your agency. The increased cost occurs from compensating NBS for municipal advisory services provided.

##### Other Municipal Advisor Relationships

NBS serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another NBS client. For example, NBS serves as Municipal Advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to your agency. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NBS could potentially face a conflict of interest arising from these competing client interests. NBS fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with your agency.

If NBS becomes aware of any additional potential or actual conflict of interest after this disclosure, NBS will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

#### LEGAL OR DISCIPLINARY EVENTS

NBS does not have any legal events or disciplinary history on NBS’ Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access NBS’ most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).



There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against NBS, NBS will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate NBS, its management and personnel.

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- NBS Government Finance Group is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board (“MSRB”) website at [www.msrb.org](http://www.msrb.org), Santa Cruz Public Libraries LFFA may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

**Agreement for Legal Services  
Disclosure Counsel**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
2024 Special Tax Bonds - Community Facilities District No. 2016-1**

THIS AGREEMENT FOR LEGAL SERVICES is made and entered into this \_\_\_ day of \_\_\_\_\_, 2024, by and between the SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (the "Authority"), and BEST BEST & KRIEGER LLP, Riverside, California ("Attorneys").

RECITALS:

WHEREAS, the Authority anticipates the issuance of parity special tax bonds (the "Bonds") for a community facilities district formed by the Authority pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, known as the Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1 (the "District"); and

WHEREAS, the Authority requires the services of disclosure counsel in connection with the issuance of the Bonds;

WHEREAS, the Authority has determined that Attorneys are specially trained and experienced to provide services for accomplishing such issuance and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services.

AGREEMENT:

NOW, THEREFORE, IT IS HEREBY AGREED, as follows:

Section 1. Duties of Attorneys. Attorneys shall provide legal services as disclosure counsel in connection with the preparation of the official statement to be used in connection with the offering and sale of the Bonds (the "Official Statement"), a continuing disclosure certificate and a notice of intention to sell and an official notice of sale for the Bonds. Such services shall be performed in accordance with the generally accepted practices, and to the standards, of Attorneys' profession. Attorneys represent and warrant that Attorneys are experienced and properly qualified to perform the work and services provided for herein, and are properly equipped and organized to perform the work and services in a competent and timely manner, in accordance with the requirements of this Agreement. Such services shall include the following:

- (a) Review the Official Statement (both preliminary and final) to be prepared by the Authority's Municipal Advisor in connection with the offering of the Bonds;
- (b) Confer and consult with the officers and administrative staff of the Authority as to matters relating to the Official Statement;

(c) Attend all administrative meetings at which the Official Statement is to be discussed, deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the Official Statement (it being expected that such meetings will be conducted by group conference calls);

(d) Review a continuing disclosure certificate or agreement for the Bonds to be prepared by the Authority's Municipal Advisor;

(e) Review the notice of intention to sell and the official notice of sale for the Bonds to be prepared by bond counsel or the Authority's Municipal Advisor; and

(f) Subject to the completion of proceedings to the satisfaction of Attorneys, provide a letter of Attorneys addressed to the Authority and the purchaser of the Bonds to the effect that, although Attorneys have not undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, in the course of Attorneys participation in the preparation of the Official Statement Attorneys have been in contact with representatives of the Authority and others concerning the contents of the Official Statement and related matters, and, based upon the foregoing, nothing has come to Attorneys attention to lead Attorneys to believe that the Official Statement (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and information relating to The Depository Trust Company and its book-entry system, as to which Attorneys need express no view) as of the date of the Official Statement or the date of the closing for the Bonds contain any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 2. Compensation. For the services described in Section 1, Attorneys shall be paid a fee of \$12,000.00. Payment of said fee shall be due upon the submission of a bill by the Attorneys, however, at the request of the Authority, such payment may be due and payable upon the delivery of the Bonds and shall be payable solely from the proceeds of the Bonds and from no other funds of the Authority. This payment shall be the total fee payable for the services of Attorneys described herein, and no other compensation for such services will be payable except by amendments pursuant to Section 6 below.

Section 3. Exceptions. The Authority has retained another law firm to provide bond counsel services with respect to the issuance of the Bonds, and the services of Attorneys do not include any of the services customarily provided by bond counsel. Any services rendered in any litigation involving the Authority or the financing proceedings relating to the Bonds are excepted from the services to be rendered for the above compensation. Any audit or review of past compliance by the Authority with continuing disclosure undertakings related to its debt obligations, and preparation of post-closing continuing disclosure filings are also excepted from the services to be rendered for the above compensation. For any such services mentioned in this Section 3 which

Attorneys are directed to render for and on behalf of the Authority, compensation shall be on the basis of reasonable fees to be agreed upon by the Authority and Attorneys.

Section 4. Term. Unless terminated pursuant to Section 5, this Agreement will commence upon the date first above written and shall expire upon completion of performance of the services hereunder by Attorneys.

Section 5. Termination of Agreement. This Agreement for Legal Services may be terminated at any time by the Authority, with or without cause, upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall, at the option of the Authority, become its property and shall be delivered by Attorneys to the Authority.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Indemnification. To the fullest extent permitted by law, Attorneys agree to indemnify, defend, and hold harmless the Authority, its officials, officers, employees, and volunteers from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses (including attorneys' fees and costs) arising from the acts or omissions of Attorneys, Attorneys' employees or agents in any way related to the obligations or in the performance of services under this Agreement, except where caused by the sole negligence, or willful misconduct of the Authority. Where such claims, demands, actions, liabilities, damages, judgments or expenses are the result of the negligence or willful misconduct of the Authority or its officials, officers, employees or volunteers, the indemnity obligation of Attorneys shall be limited to the portion of the loss attributable to the comparative fault of Attorneys and shall not apply to the portion of the loss attributable to the comparative fault of the Authority and its officers, officials, employees or volunteers.

Section 8. Insurance. Prior to the beginning of and throughout the duration of the Agreement, Attorneys will maintain:

- a. COMMERCIAL GENERAL LIABILITY INSURANCE (CGL): \$1,000,000 PER OCCURRENCE

Proof of coverage for \$1 Million per occurrence including products and completed operations, property damage, bodily injury, personal and advertising injury will be provided on Insurance Services Office (ISO) Form CG 00 01 covering CGL. If a general aggregate limit applies, either the general aggregate limit will apply separately to this project/location or the general aggregate limit will be at least twice the required occurrence limit.

- b. PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS) INSURANCE: \$2,000,000 PER OCCURRENCE OR CLAIM, \$2,000,000 AGGREGATE.

Attorneys will maintain insurance appropriate to Attorneys' profession; with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after date of completion of the services under this Agreement.

c. WORKERS' COMPENSATION AS REQUIRED BY THE STATE OF CALIFORNIA, WITH STATUTORY LIMITS, AND EMPLOYER'S LIABILITY INSURANCE: \$1,000,000 per accident for bodily injury or disease. Must include a waiver of subrogation.

d. AUTOMOBILE LIABILITY INSURANCE: Proof of coverage for \$1,000,000 provided on ISO Form Number CA 00 01 covering any auto (Code 1), or if Attorneys has no owned autos, hired, (Code 8) and non-owned autos (Code 9), per accident for bodily injury and property damage.

Each insurance policy required by paragraphs a, c, and d above shall state that coverage shall not be canceled, except with notice to the Authority. Attorneys shall provide notice to the Authority of any cancellation of the policy required by paragraph b above. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than XV, unless otherwise acceptable to the Authority. The Authority, its officers, officials, employees and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or services performed by or on behalf of Attorneys pursuant to this Agreement. General liability coverage will be provided in the form of an endorsement to Attorneys' insurance at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of both CG 20 10 and CG 20 37 (if a later edition is used). Prior to the Authority's execution of this Agreement, Attorneys shall provide to the Authority certificates of insurance with the following minimum requirements:

- Certificate(s) will show current policy number(s) and effective dates,
- Coverage and policy limits will meet, or exceed, requirements herein,
- The Certificate Holder will be the Authority,
- Certificate will be signed by an authorized representative,
- An endorsement will be provided with respect to the insurance described in paragraphs a, c, and d above, to show the Authority, its officers, officials, employees, and volunteers as additional insureds.

Section 9. Independent Contractor. In performance of the work and services described herein, Attorneys, including Attorneys' agents, servants, employees, volunteers, and subcontractors, are an independent contractors solely responsible for their acts and omissions, and Attorneys shall not be considered as employees of the Authority for any purpose.

Section 8. Conflict of Interest. Attorneys owe the Authority a duty of undivided loyalty in performing the work and services under this Agreement. Attorneys on behalf of themselves and their employees and agents, covenant that they presently have no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of their services required to be performed under this Agreement. Attorneys will immediately advise Authority if Attorneys learn of a conflicting financial interest of Attorneys' during the term of this Agreement.

Section 9. Licensure. Attorneys warrant that Attorneys has /have complied with any and all federal, state and local licensing requirements.

Section 10. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

Section 11. Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

Section 12. Authority. The signatories to this Agreement warrant and represent that each is authorized to execute this Agreement and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

SANTA CRUZ LIBRARIES FACILITIES  
FINANCING AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BEST BEST & KRIEGER LLP

By: Kim Byrens  
Kim Byrens, Partner

Approved as to Form:

Ruby Marquez 09/27/2024  
Santa Cruz County Counsel's Office  
Legal Counsel to the LFFA



Chair Jamie Goldstein  
Vice Chair Matt Huffaker  
Board Member Mali LaGoe  
Board Member Carlos Palacios



## STAFF REPORT

AGENDA: October 31, 2024  
TO: Libraries Facilities Financing Authority Board  
FROM: LFFA Treasurer-Controller  
RE: Special Tax Bond Quarterly Financial Reports as of September 30, 2024

### RECOMMENDATION

Accept and file the attached financial statements of the Community Facilities District No. 2016-1 as of September 30, 2024.

### DISCUSSION

The attached statements provide your Board with a summary of the activity and balances for funds held in trust at Bank of New York as well as an accounting of bond and special tax distributions as of September 30, 2024.

The first attachment, Improvement Fund Activity and Balances of Member Accounts Held in Trust at Bank of New York as of September 30, 2024, provides your Board with an accounting of the funds received into member trust accounts and distributed to members from both the 2017 and the 2020 bond issuances. As of September 30, 2024, the total balance in trust accounts with Bank of New York for these funds is \$716,526.14.

The 2017 Special Tax Bond was sold in June 2017. As of September 30, 2024, all 2017 bond funds have been drawn down to reimburse eligible expenditures. The remaining \$0.89 is interest income.

The second attachment, Member Distribution Summary as of September 30, 2024, provides your Board with an accounting of the \$40,962,660 total bond proceeds received from the two bond issuances as well as a reporting of the \$22,024,277 special tax that has been allocated to each member. Because the City of Capitola and the County of Santa Cruz have received their full distribution amounts the special tax remaining after debt payments are made will be distributed only to the City of Santa Cruz and the City of Scotts Valley until they also reach their maximum distribution amount through either bond proceeds or special tax payments.

Attachment #1 – Improvement Fund Activity and Balances of Member Accounts Held in Trust of Bank of New York

Attachment #2 – Member Distribution Summary

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY**

**Community Facilities District No. 2016-1**

**2017 & 2020 Special Tax Bonds**

**Improvement Fund Activity and Balances of Member Accounts Held in Trust at Bank of New York**

**As of September 30, 2024**

**Summary of activity and account balances of bond funds held in trust at Bank of New York**

<b>Description</b>	<b>Santa Cruz Cnty</b>	<b>Santa Cruz City</b>	<b>Capitola</b>	<b>Scotts Valley</b>	<b>Total</b>
<b>2017 Bonds</b>					
Proceeds	\$ 13,100,000.00	\$ 500,000.00	\$ 7,526,447.00	\$ 500,000.00	\$ 21,626,447.00
Excess Cost of Issuance	11,756.08	448.70	6,754.33	448.70	19,407.81
Interest	465,064.78	22,723.24	263,490.15	23,524.55	774,802.72
Available funds	13,576,820.86	523,171.94	7,796,691.48	523,973.25	22,420,657.53
Drawdowns	(13,576,820.86)	(523,171.60)	(7,796,691.48)	(523,972.70)	(22,420,656.64)
Current balance 2017 Bonds	-	0.34	-	0.55	0.89
<b>2020 Bonds</b>					
Proceeds	15,386,032.00	-	1,824,947.00	2,094,000.00	19,304,979.00
Excess Cost of Issuance	-	-	-	11,825.62	11,825.62
Interest	324,675.40	-	661.79	3,983.95	329,321.14
Available funds	15,710,707.40	-	1,825,608.79	2,109,809.57	19,646,125.76
Drawdowns	(14,994,183.68)	-	(1,825,608.79)	(2,109,808.04)	(18,929,600.51)
Current balance 2020 Bonds	716,523.72	-	-	1.53	716,525.25
<b>September 30, 2024 Balance at BNY:</b>	<b>\$ 716,523.72</b>	<b>\$ 0.34</b>	<b>\$ -</b>	<b>\$ 2.08</b>	<b>\$ 716,526.14</b>

**Santa Cruz Libraries Facilities Financing Authority  
Community Facilities District No. 2016-1  
Maximum Distribution Amounts & Member Distribution History  
As of September 30, 2024**

**Modified authorized distribution amounts and member balances.**

<b>Object Code</b>	<b>Member</b>	<b>Original Distribution Percentage</b>	<b>Authorized Distribution Amount</b>	<b>Bond Proceeds</b>	<b>Special Tax Distribution</b>	<b>Total Distributions</b>	<b>Balance to Distribute</b>	<b>Modified Distribution Percentage</b>
75236	City of Capitola	12.90%	\$ 10,000,000	\$ 9,358,148	\$ 641,852	\$ 10,000,000	\$ -	<b>0.00%</b>
75237	City of Santa Cruz	40.32%	31,250,000	500,449	16,431,492	16,931,941	14,318,059	<b>98.66%</b>
75238	City of Scotts Valley	4.84%	3,750,000	2,606,275	948,721	3,554,996	195,004	<b>1.34%</b>
75239	County of Santa Cruz	41.94%	32,500,000	28,497,788	4,002,212	32,500,000	-	<b>0.00%</b>
	<b>Total</b>	<b>100.00%</b>	<b>\$ 77,500,000</b>	<b>\$ 40,962,660</b>	<b>\$ 22,024,277</b>	<b>\$ 62,986,937</b>	<b>\$ 14,513,063</b>	

Chair                    Jamie Goldstein  
Vice Chair            Matt Huffaker  
Board Member        Mali LaGoe  
Board Member        Carlos Palacios



## **STAFF REPORT**

DATE:                  October 31, 2024  
TO:                      Library Joint Powers Authority Board  
FROM:                  Christopher Platt, Library Director  
RE:                      Annual Meeting Schedule 2025

### **RECOMMENDATION**

Adopt Annual Meeting Schedule 2025

### **DISCUSSION**

The Library is proposing the attached meeting schedule for 2025.

Attachment: Annual Meeting Schedule



## 2025 Meeting Dates

LFFA (Libraries Facilities Financing Authority)  
Immediately followed by the LJPA (Library Joint Powers Authority)

**All meetings are held on  
Thursdays at 9:00 am**

Meeting Date	Time	Location
February 6	9:00 am	Aptos Branch Library
May 1	9:00 am	Scotts Valley Branch Library
June 5	9:00 am	Capitola Branch Library
September 4	9:00 am	Aptos Branch Library
November 6	9:00 am	Downtown Branch Library

# SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

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*Fiscal Year 2024/25 Annual Report for:*

**Community Facilities District No. 2016-1**

**October 2024**



**Corporate Headquarters**  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516  
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## DISTRICT SUMMARY

Community Facilities District No. 2016-1 (the “CFD”) was approved by voters in the June 2016 regular election and was 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, 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 also include, without limitation, the attributable costs of engineering, design, planning, materials testing, coordination, construction staking, and construction, together with the expenses related to the issuance and sale of any "debt", as defined in Section 53317(d) of the Mello-Roos Community Facilities Act of 1982, 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 Santa Cruz Libraries Facilities Financing Authority (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 (the “JPA Agreement”).

On June 15, 2017, the Authority issued the \$21,170,000 Authority Community Facilities District No. 2016-1 2017 Special Tax Bonds (the “2017 Bonds”). The 2017 Bonds were issued to construct and/or improve library facilities located within the CFD. Proceeds were used to purchase a municipal bond debt service reserve insurance policy for the 2017 Bonds (the “2017 Bonds Reserve Policy”), and pay costs related to the issuance of the 2017 Bonds. The 2017 Bonds are scheduled to mature with the September 1, 2045 debt service payment.

On March 12, 2020, the Authority issued the \$18,590,000 Authority Community Facilities District No. 2016-1 2020 Special Tax Parity Bonds (the “2020 Bonds”) to construct and/or improve library facilities located within the CFD, purchase a municipal bond debt service reserve insurance policy for the 2020 Bonds (the “2020 Bonds Reserve Policy”), and pay costs of issuing the 2020 Bonds, including the premium for a municipal bond insurance policy. The 2020 Bonds are scheduled to mature with the September 1, 2046 debt service payment.

### Levy

The following table provides a summary of the Fiscal Year 2024/25 final levy amount.

District	Parcel Count	FY 2024/25 Levy
Community Facilities District No. 2016-1	69,125	\$4,460,408.00



## **Funds**

As of June 30, 2024, the balance in the 2017 Bonds Improvement Fund was \$0.89 and the balance in the 2020 Bonds Improvement Fund was \$707,354.99. Once improvements in the CFD are completed and all required payments have been made, the balance in these Funds should be transferred to the Bond Fund for use in making future debt service payments. The Improvement Funds should then be closed.

As of June 30, 2024, the balance in the Special Tax Fund was \$1,897,040.82. After accounting for the September 1, 2024 debt service payment of the 2017 Bonds and 2020 Bonds, and six months' worth of estimated administrative expenses, there was an approximate balance of \$239,204 remaining in the Special Tax Fund. Per the CFD's Fiscal Agent Agreement, any amount remaining shall be retained in the Special Tax Fund and applied to the succeeding Bond Year's Annual Debt Service or be distributed to the members of the Authority pursuant to the JPA Agreement.

The Authority satisfied the Reserve Requirements for the 2017 Bonds and the 2020 Bonds through the 2017 Bonds Reserve Policy and the 2020 Bonds Reserve Policy, respectively.

## **NBS**

Andrew Kraus, Administrator  
Stephanie Parson, Project Manager  
Sara Mares, Client Services Director



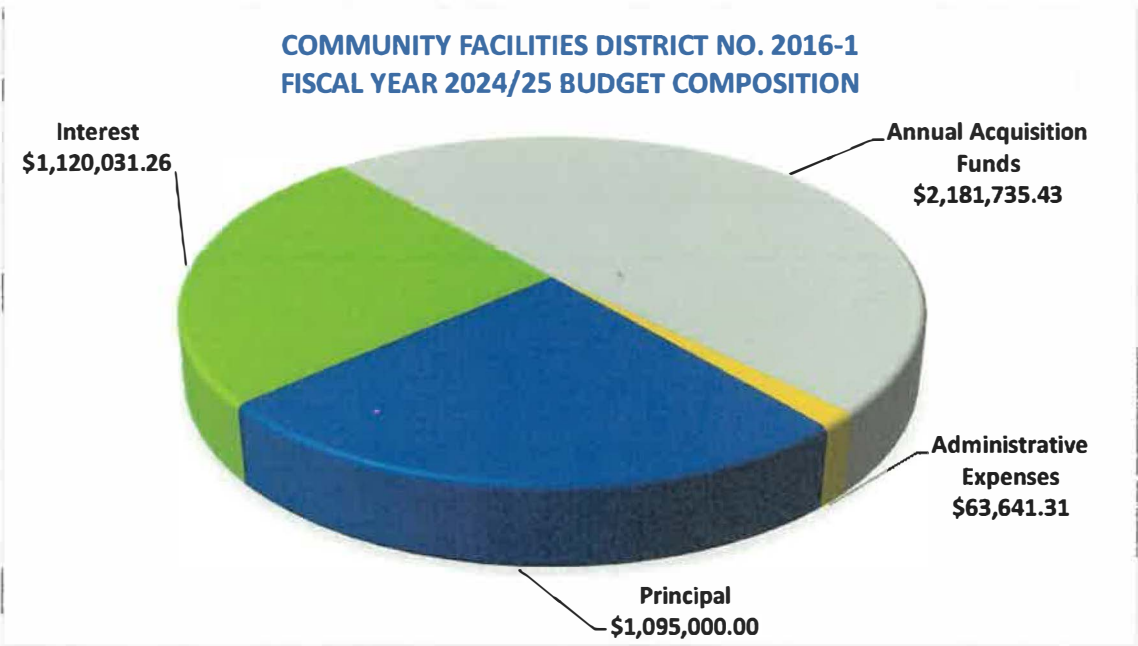
# 1. SPECIAL TAX ANALYSIS

## 1.1 Levy Summary

A summary of the levy for Fiscal Year 2024/25 is shown in the table and chart below.

Description	Amount
Principal	\$1,095,000.00
Interest	1,120,031.26
Annual Acquisition Funds	2,181,735.43
Administrative Expenses <sup>(1)</sup>	63,641.31
<b>Total Special Tax Levy Amount:</b>	<b>\$4,460,408.00</b>
Levied Parcel Count	69,125

(1) Includes County collection fees.



## 1.2 Special Tax Rates

The Fiscal Year 2024/25 applied rates and special tax levy are shown in the table below.

Land Use Classification	Parcel Count	Units	FY 2024/25 Maximum Tax Rate <sup>(1)</sup>	FY 2024/25 Applied Tax Rate	Total FY 2024/25 Special Tax Levy
Single Family Residential	52,691	54,571	\$49.50	\$49.50	\$2,701,264.50
Multi-Family Residential	12,692	28,335	49.50	49.50	1,402,582.50
Agricultural	345	345	86.00	86.00	29,670.00
Agricultural Residential	327	339	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	44,902.50
Commercial	2,649	2,649	86.00	86.00	227,814.00
Commercial Residential	307	361	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	44,271.50
Recreational	112	112	86.00	86.00	9,632.00
Recreational Residential	2	2	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	271.00
<b>Totals:</b>	<b>69,125</b>	<b>86,714</b>			<b>\$4,460,408.00</b>

(1) The maximum special tax rate does not change as there is no annual inflator.

### 1.3 Special Tax Rate Comparison

The Fiscal Year 2024/25 maximum tax rates and applied tax rates compared to the prior year are shown below.

Land Use Classification	Rate Per	FY 2023/24			FY 2024/25			% Change in Applied Tax Rate <sup>(2)</sup>
		Maximum Tax Rate <sup>(1)</sup>	Applied Tax Rate	% of Maximum	Maximum Tax Rate <sup>(1)</sup>	Applied Tax Rate	% of Maximum	
Single Family Residential	Unit	\$49.50	\$49.50	100.0%	\$49.50	\$49.50	100.0%	0.0%
Multi-Family Residential	Unit	49.50	49.50	100.0%	49.50	49.50	100.0%	0.0%
Agricultural	Parcel	86.00	86.00	100.0%	86.00	86.00	100.0%	0.0%
Agricultural Residential <sup>(3)</sup>	Parcel & Unit	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	100.0%	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	100.0%	0.0%
Commercial	Parcel	86.00	86.00	100.0%	86.00	86.00	100.0%	0.0%
Commercial Residential <sup>(3)</sup>	Parcel & Unit	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	100.0%	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	100.0%	0.0%
Recreational	Parcel	86.00	86.00	100.0%	86.00	86.00	100.0%	0.0%
Recreational Residential <sup>(3)</sup>	Parcel & Unit	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	100.0%	86.00/Parcel + 49.50/Unit	86.00/Parcel + 49.50/Unit	100.0%	0.0%

(1) There is no annual inflator applicable to the maximum special tax rate.

(2) Represents the change between the current and prior year applied tax rates.

(3) Per the Rate and Method of Apportionment of the CFD, parcels with more than one property type/use shall have a maximum special tax equal to the sum of the maximum special tax for all property uses located on the parcel.



## 2. FINANCIAL STATUS

### 2.1 Fund Balances

Fund	6/30/2024 Balance
Improvement Fund <sup>(1)</sup>	\$707,356
Special Tax Fund	1,897,041
Reserve Fund <sup>(2)</sup>	1,110,926

- (1) The Improvement Fund balance above reflects the sum of the amounts in the 2017 Bonds Improvement Fund and the 2020 Bonds Improvement Fund. Improvement projects are ongoing.
- (2) The Reserve Fund balance above reflects the total amount of the reserve fund policies in place for the 2017 Bonds and the 2020 Bonds.

### 2.2 Special Tax Fund

Description	Amount
<b>Special Tax Fund Balance 6/30/2024</b>	<b>\$1,897,041</b>
9/1/2024 Debt Service	(1,626,016)
9/1/2024 Bond Call	(0)
Estimated Administrative Expenses <sup>(1)</sup>	(31,821)
<b>Estimated Redemption Fund Balance 12/2024 <sup>(2)</sup></b>	<b>\$239,204</b>

- (1) Represents six months of administrative expenses.
- (2) Per the Fiscal Agent Agreement, any amount remaining shall be retained in the Special Tax Fund and applied to the succeeding Bond Year's Annual Debt Service or be distributed to the members of the Authority pursuant to the JPA Agreement.

### 2.3 Reserve Fund

Description	Amount
<b>2017 Bonds Reserve Fund Balance 6/30/2024 <sup>(1)</sup></b>	<b>\$610,251</b>
2017 Bonds Reserve Requirement <sup>(2)</sup>	610,251
<b>2017 Bonds Estimated Reserve Fund Surplus/Deficit</b>	<b>\$0</b>

- (1) Amount available to be drawn on in lieu of a Reserve Fund for the 2017 Bonds. Policy issued in an amount equal to the Reserve Requirement at the time of bond issuance.
- (2) Defined as an amount equal to 50% of the least of (i) 10% of the initial principal amount of the 2017 Bonds; (ii) Maximum Annual Debt Service on the 2017 Bonds; or (iii) 125% of the average Annual Debt Service on the 2017 Bonds. Calculated as of 6/30/2024.

Description	Amount
<b>2020 Bonds Reserve Fund Balance 6/30/2024 <sup>(1)</sup></b>	<b>\$500,675</b>
2020 Bonds Reserve Requirement <sup>(2)</sup>	500,675
<b>2020 Bonds Estimated Reserve Fund Surplus/Deficit</b>	<b>\$0</b>

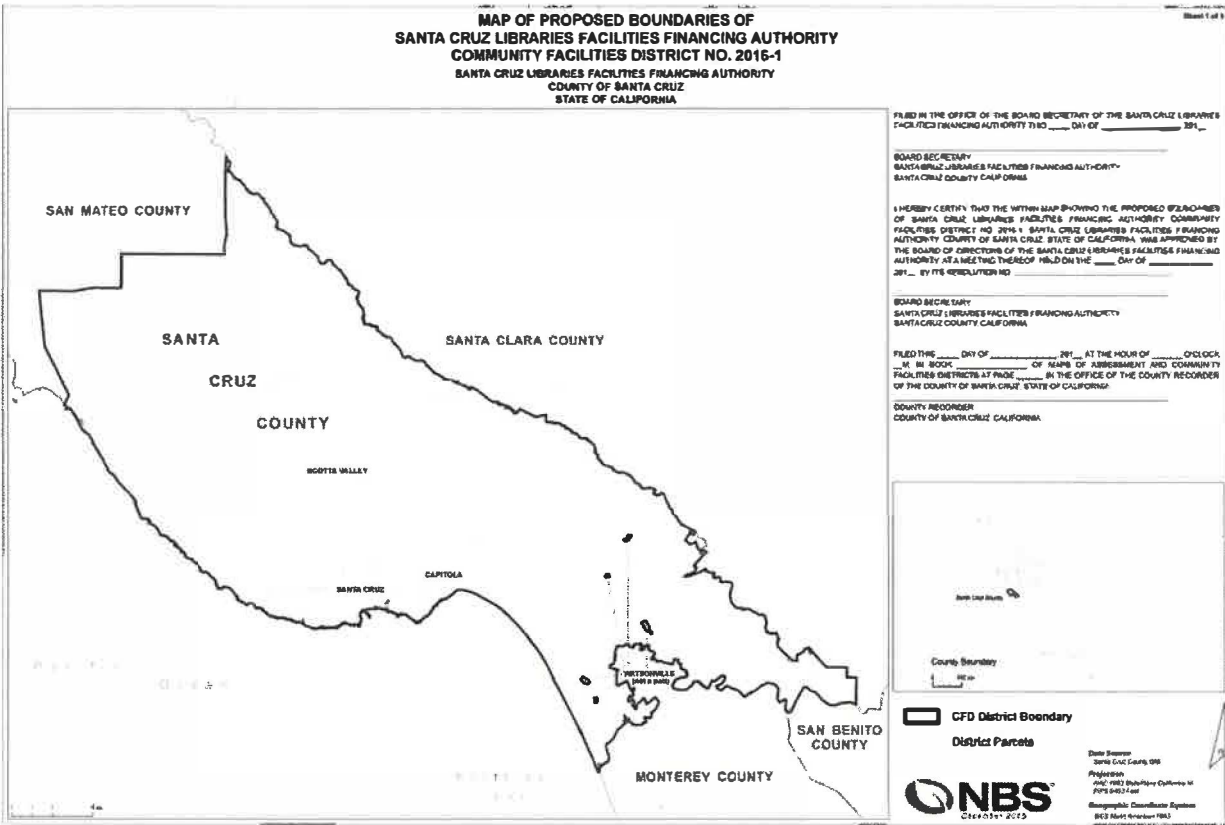
- (1) Amount available to be drawn on in lieu of a Reserve Fund for the 2020 Bonds. Policy issued in an amount equal to the Reserve Requirement at the time of bond issuance.
- (2) Defined as an amount equal to 50% of the least of (i) 10% of the initial principal amount of the 2020 Bonds; (ii) Maximum Annual Debt Service on the 2020 Bonds; or (iii) 125% of the average Annual Debt Service on the 2020 Bonds. Calculated as of 6/30/2024.

## 2.4 Assessed Value to Debt Ratio

Description	Amount
<b>Assessed Value <sup>(1)</sup></b>	<b>\$53,480,058,343</b>
Principal of Debt Outstanding <sup>(2)</sup>	35,785,000
<b>Assessed Value to Debt Ratio</b>	<b>1,494.48:1</b>

- (1) Land value plus improvement value of levied parcels within the CFD, per the Santa Cruz County secured property roll as of January 1, 2024.
- (2) Debt outstanding as of 6/30/2024. Includes the 2017 Bonds and the 2020 Bonds.

# APPENDIX A. DISTRICT BOUNDARY



# APPENDIX B. RATE AND METHOD OF APPORTIONMENT

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The following pages show the Rate and Method of Apportionment of the Special Tax.





**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 30<sup>th</sup> 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<sub>E</sub> = 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.



# APPENDIX C. CURRENT DEBT SERVICE SCHEDULES

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The following pages show the Current Debt Service Schedules for the 2017 Bonds and the 2020 Bonds.



**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%	Paid
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	Paid
03/01/2019		0.0000	20,920,000.00	.00	394,415.63	394,415.63	.00	0.0000	Paid
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	Paid
03/01/2020		0.0000	20,490,000.00	.00	383,665.63	383,665.63	.00	0.0000	Paid
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	Paid
03/01/2021		0.0000	20,040,000.00	.00	372,415.63	372,415.63	.00	0.0000	Paid
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	Paid
03/01/2022		0.0000	19,565,000.00	.00	360,540.63	360,540.63	.00	0.0000	Paid
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	Paid
03/01/2023		0.0000	19,070,000.00	.00	348,165.63	348,165.63	.00	0.0000	Paid
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	Paid
03/01/2024		0.0000	18,550,000.00	.00	335,165.63	335,165.63	.00	0.0000	Paid
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	Paid
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
03/01/2038		0.0000	8,375,000.00	.00	144,762.50	144,762.50	.00	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
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
<b>Grand Total:</b>			<b>\$21,170,000.00</b>	<b>\$21,170,000.00</b>	<b>\$12,922,351.37</b>	<b>\$34,092,351.37</b>	<b>\$34,092,351.37</b>		

**Santa Cruz Public Libraries**  
**CFD No. 2016-1 2020 Special Tax Parity Bonds**  
**Current Debt Service Schedule**  
 Bonds Dated: 03/12/2020  
 Bonds Issued: \$18,590,000.00

Payment Date	CUSIP	Interest Rate	Balance	Principal	Interest	Payment Total	Annual Total	Call Premium	Status
09/01/2020		.0000%	\$18,590,000.00	\$0.00	\$267,325.14	\$267,325.14	\$267,325.14	0.0000%	Paid
03/01/2021		0.0000	18,590,000.00	.00	284,725.00	284,725.00	.00	0.0000	Paid
09/01/2021	80175LAX2	5.0000	18,590,000.00	430,000.00	284,725.00	714,725.00	999,450.00	0.0000	Paid
03/01/2022		5.0000	18,160,000.00	.00	273,975.00	273,975.00	.00	0.0000	Paid
09/01/2022	80175LAYO	5.0000	18,160,000.00	450,000.00	273,975.00	723,975.00	997,950.00	0.0000	Paid
03/01/2023		5.0000	17,710,000.00	.00	262,725.00	262,725.00	.00	0.0000	Paid
09/01/2023	80175LAZ7	5.0000	17,710,000.00	475,000.00	262,725.00	737,725.00	1,000,450.00	0.0000	Paid
03/01/2024		5.0000	17,235,000.00	.00	250,850.00	250,850.00	.00	0.0000	Paid
09/01/2024	80175LBA1	5.0000	17,235,000.00	495,000.00	250,850.00	745,850.00	996,700.00	0.0000	Paid
03/01/2025		5.0000	16,740,000.00	.00	238,475.00	238,475.00	.00	0.0000	Unpaid
09/01/2025	80175LBB9	5.0000	16,740,000.00	520,000.00	238,475.00	758,475.00	996,950.00	0.0000	Unpaid
03/01/2026		5.0000	16,220,000.00	.00	225,475.00	225,475.00	.00	0.0000	Unpaid
09/01/2026	80175LBC7	5.0000	16,220,000.00	550,000.00	225,475.00	775,475.00	1,000,950.00	0.0000	Unpaid
03/01/2027		5.0000	15,670,000.00	.00	211,725.00	211,725.00	.00	0.0000	Unpaid
09/01/2027	80175LBD5	5.0000	15,670,000.00	575,000.00	211,725.00	786,725.00	998,450.00	0.0000	Unpaid
03/01/2028		5.0000	15,095,000.00	.00	197,350.00	197,350.00	.00	0.0000	Unpaid
09/01/2028	80175LBE3	5.0000	15,095,000.00	605,000.00	197,350.00	802,350.00	999,700.00	0.0000	Unpaid
03/01/2029		5.0000	14,490,000.00	.00	182,225.00	182,225.00	.00	0.0000	Unpaid
09/01/2029	80175LBF0	5.0000	14,490,000.00	635,000.00	182,225.00	817,225.00	999,450.00	0.0000	Unpaid
03/01/2030		4.0000	13,855,000.00	.00	166,350.00	166,350.00	.00	0.0000	Unpaid
09/01/2030	80175LBG8	4.0000	13,855,000.00	665,000.00	166,350.00	831,350.00	997,700.00	0.0000	Unpaid
03/01/2031		3.0000	13,190,000.00	.00	153,050.00	153,050.00	.00	0.0000	Unpaid
09/01/2031	80175LBH6	3.0000	13,190,000.00	695,000.00	153,050.00	848,050.00	1,001,100.00	0.0000	Unpaid
03/01/2032		2.0000	12,495,000.00	.00	142,625.00	142,625.00	.00	0.0000	Unpaid
09/01/2032	80175LBJ2	2.0000	12,495,000.00	715,000.00	142,625.00	857,625.00	1,000,250.00	0.0000	Unpaid
03/01/2033		2.0000	11,780,000.00	.00	135,475.00	135,475.00	.00	0.0000	Unpaid
09/01/2033	80175LBK9	2.0000	11,780,000.00	730,000.00	135,475.00	865,475.00	1,000,950.00	0.0000	Unpaid
03/01/2034		2.0000	11,050,000.00	.00	128,175.00	128,175.00	.00	0.0000	Unpaid
09/01/2034	80175LBL7	2.0000	11,050,000.00	745,000.00	128,175.00	873,175.00	1,001,350.00	0.0000	Unpaid
03/01/2035		2.1250	10,305,000.00	.00	120,725.00	120,725.00	.00	0.0000	Unpaid
09/01/2035	80175LBM5	2.1250	10,305,000.00	755,000.00	120,725.00	875,725.00	996,450.00	0.0000	Unpaid
03/01/2036		2.1250	9,550,000.00	.00	112,703.13	112,703.13	.00	0.0000	Unpaid
09/01/2036	80175LBN3	2.1250	9,550,000.00	775,000.00	112,703.13	887,703.13	1,000,406.26	0.0000	Unpaid
03/01/2037		2.2500	8,775,000.00	.00	104,468.75	104,468.75	.00	0.0000	Unpaid
09/01/2037	80175LBP8	2.2500	8,775,000.00	790,000.00	104,468.75	894,468.75	998,937.50	0.0000	Unpaid
03/01/2038		2.2500	7,985,000.00	.00	95,581.25	95,581.25	.00	0.0000	Unpaid
09/01/2038	80175LBQ6	2.2500	7,985,000.00	810,000.00	95,581.25	905,581.25	1,001,162.50	0.0000	Unpaid
03/01/2039		2.2500	7,175,000.00	.00	86,468.75	86,468.75	.00	0.0000	Unpaid
09/01/2039	80175LBR4	2.2500	7,175,000.00	825,000.00	86,468.75	911,468.75	997,937.50	0.0000	Unpaid
03/01/2040		2.3750	6,350,000.00	.00	77,187.50	77,187.50	.00	0.0000	Unpaid
09/01/2040	80175LBS2	2.3750	6,350,000.00	845,000.00	77,187.50	922,187.50	999,375.00	0.0000	Unpaid

**Santa Cruz Public Libraries**  
**CFD No. 2016-1 2020 Special Tax Parity Bonds**  
**Current Debt Service Schedule**  
 Bonds Dated: 03/12/2020  
 Bonds Issued: \$18,590,000.00

Payment Date	CUSIP	Interest Rate	Balance	Principal	Interest	Payment Total	Annual Total	Call Premium	Status
03/01/2041		2.3750	5,505,000.00	.00	67,153.13	67,153.13	.00	0.0000	Unpaid
09/01/2041		2.3750	5,505,000.00	865,000.00	67,153.13	932,153.13	999,306.26	0.0000	Unpaid
03/01/2042		2.3750	4,640,000.00	.00	56,881.25	56,881.25	.00	0.0000	Unpaid
09/01/2042		2.3750	4,640,000.00	885,000.00	56,881.25	941,881.25	998,762.50	0.0000	Unpaid
03/01/2043		2.3750	3,755,000.00	.00	46,371.88	46,371.88	.00	0.0000	Unpaid
09/01/2043	80175LBV5	2.3750	3,755,000.00	905,000.00	46,371.88	951,371.88	997,743.76	0.0000	Unpaid
03/01/2044		2.5000	2,850,000.00	.00	35,625.00	35,625.00	.00	0.0000	Unpaid
09/01/2044		2.5000	2,850,000.00	925,000.00	35,625.00	960,625.00	996,250.00	0.0000	Unpaid
03/01/2045		2.5000	1,925,000.00	.00	24,062.50	24,062.50	.00	0.0000	Unpaid
09/01/2045		2.5000	1,925,000.00	950,000.00	24,062.50	974,062.50	998,125.00	0.0000	Unpaid
03/01/2046		2.5000	975,000.00	.00	12,187.50	12,187.50	.00	0.0000	Unpaid
09/01/2046	80175LBY9	2.5000	975,000.00	975,000.00	12,187.50	987,187.50	999,375.00	0.0000	Unpaid
<b>Grand Total:</b>			<b>\$18,590,000.00</b>		<b>\$7,652,556.42</b>	<b>\$26,242,556.42</b>	<b>\$26,242,556.42</b>		

# APPENDIX D. FINAL BILLING DETAIL REPORT

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The following pages show the Final Billing Detail Report for Fiscal Year 2024/25.



The Final Billing Detail Report for FY 2024/25 is on file with the LFFA Clerk of the Board and available at Santa Cruz Public Libraries Headquarters at 117 Union Street, Santa Cruz CA 95060.

Chair Jamie Goldstein  
Vice Chair Matt Huffaker  
Board Member Mali LaGoe  
Board Member Carlos Palacios



## STAFF REPORT

AGENDA: October 31, 2024  
TO: Libraries Facilities Financing Authority Board  
FROM: LFFA Treasurer-Controller  
RE: 2023-2024 Community Facilities District Reports

### RECOMMENDATION

Accept the Annual Community Facilities District Reports for the fiscal year ended June 30, 2024.

### DISCUSSION

Per the Joint Community Facilities Agreement, paragraph 4, Annual Reporting: Each Member shall, no later than 90 days after the end of the Member's fiscal year, file with the Authority a written report (the "Annual CFD (Community Facilities District) Report") containing the following information for the prior fiscal year:

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

The Annual CFD Reports for the fiscal year ended June 30, 2024, are provided as attached.

Attachment #1 City of Santa Cruz  
Attachment #2 City of Capitola  
Attachment #3 County of Santa Cruz  
Attachment #4 City of Scotts Valley



Annual Community Facilities District Report  
 Proceeds and Expenditures of  
 Library Facilities Financing Authority Bond and Special Tax Revenue  
 For the City of Santa Cruz, CA  
 Fiscal Year Ended June 30, 2024

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.

	Beginning Balance July 1, 2023	Received	Expended	On hand June 30, 2024
<b>Proceeds from Bonds</b>				
Branciforte Library	\$ -	\$ -	\$ -	\$ -
Downtown Library	-	-	-	-
Garfield Park Library	-	-	-	-
<b>Total Proceeds from Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Special Taxes</b>				
Unallocated	\$ 7,909,945.57 <sup>(2)(3)</sup>	\$ 1,961,008.55	\$ -	\$ 9,345,574.85
Branciforte Library	-	-	-	-
Downtown Library	-	-	525,379.27	-
Garfield Park Library	-	-	-	-
<b>Total Special Taxes</b>	<b>\$ 7,909,945.57</b>	<b>\$ 1,961,008.55 <sup>(1)</sup></b>	<b>\$ 525,379.27</b>	<b>\$ 9,345,574.85</b>

Note 1: A portion of the special taxes has not yet been allocated to the individual branches.

Note 2: Downtown Library was adjusted for prior year expenditures after the report was generated.

Note 3: Branciforte and Garfield Park were adjusted to offset current and prior year expenditures due to donations from the Friends of the Library.

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

  
 Matt Huffaker, 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.

## Facilities Projects Summary

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

Notice of completion was filed in Fiscal Year 2023. Branciforte branch has been completed and is now open to the public for library service.

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

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

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

Notice of completion was filed in Fiscal Year 2023. Garfield branch has been completed and is now open to the public for library service.

Annual Community Facilities District Report  
Proceeds and Expenditures of  
Library Facilities Financing Authority Bond and Special Tax Revenue  
For the City of Capitola  
For the fiscal year ended June 30, 2024

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:

1. 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.
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, 2023	Received	Expended	On hand June 30, 2024
<b>Proceeds from Bonds</b>				
CAPITOLA LIBRARY	\$ -	\$ -	\$ -	\$ -
<b>Total Proceeds from Bonds:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Special Taxes</b>				
CAPITOLA LIBRARY	\$ -	\$ -	\$ -	\$ -
<b>Total Special Taxes:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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. The Library opened on June 12, 2021.

**The County of Santa Cruz  
Annual Community Facilities District Report  
Proceeds and Expenditures of Libraries Facilities Financing Authority Bond and  
Special Tax Revenue  
Fiscal Year Ended June 30, 2024**

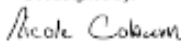
This report is prepared pursuant to the Santa Cruz Libraries Facilities Financing Authority Joint Exercise of Powers Agreement, paragraph 4: Annual Reporting, dated January 6, 2017; which requires each member to file with the Authority a written report (the "Annual CFD Report) containing the following 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, 2023	Drawdowns and related adjustments	Expenses and related adjustments	On hand June 30, 2024
<b>Proceeds from Bonds</b>				
APTOS LIBRARY	\$ -	\$ -	\$ -	\$ -
BOULDER CRK LIBRARY	-	-	-	-
FELTON LIBRARY	-	-	-	-
LA SELVA LIBRARY	-	-	-	-
LIVE OAK LIBRARY/PORTOLA	-	-	-	-
LIVE OAK LIBRARY/ANNEX	-	1,100,282.98	1,100,282.98	-
<b>Total Proceeds from Bonds:</b>	<b>\$ -</b>	<b>\$ 1,100,282.98</b>	<b>\$ 1,100,282.98</b>	<b>\$ -</b>
<b>Special Taxes</b>				
UNALLOCATED <sup>1</sup>	\$ -	\$ -	\$ -	\$ -
APTOS LIBRARY	-	-	-	-
BOULDER CRK LIBRARY	-	-	-	-
FELTON LIBRARY	688,130.97	-	7,464.00	678,666.97
LA SELVA LIBRARY	37,489.08	-	-	37,489.08
LIVE OAK LIBRARY/PORTOLA	-	-	-	-
LIVE OAK LIBRARY/ANNEX	-	-	-	-
<b>Total Special Taxes:</b>	<b>\$ 723,620.05</b>	<b>\$ -</b>	<b>\$ 7,464.00</b>	<b>\$ 716,156.05</b>

<sup>1</sup>Funds received by the County but not yet allocated to a County libraries project.

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

DocuSigned by:  
  
 1095608574034CS  
 Nicole Coburn, Assistant County Administrative Officer

<sup>1</sup>Bond proceeds in this report represent amounts that have been drawn down by the County of Santa Cruz from bond funds held in trust at the Bank of New York Mellon and distributed by the Libraries Facilities Financing Authority (LFFA) upon request. For an accounting of bond funds remaining at the Bank of New York Mellon please see the LFFA's Improvement Fund Activity & Balances of Member Accounts report.

<sup>2</sup>Special Taxes are collected by the LFFA and distributed to members twice annually in January and June, or as soon as practical.

<sup>3</sup>Unallocated special taxes have been received by the County but not yet allocated to a County libraries project.

## 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 9,000 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 – 2380 Portola Drive, 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.

### **Live Oak Library Annex – 979 17<sup>th</sup> Avenue, Santa Cruz, CA 95062**

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.

**Annual Community Facilities District Report  
Proceeds and Expenditures of  
Library Facilities Financing Authority Bond and Special Tax Revenue  
For the City of Scotts Valley  
Fiscal Year Ended June 30, 2024**

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, 2023	Bond Proceeds Received	Expended	[1] On hand June 30, 2024
<b>PROCEEDS FROM BONDS</b>				
Scotts Valley Library	\$ -	\$ -	\$ -	\$ -
<b>PROCEEDS FROM SPECIAL TAXES</b>				
Scotts Valley Library	\$ (225,182.41)	\$ 30,178.57	\$ -	\$ (195,003.84)
Interest Earnings	-	-	-	-
	<u>\$ (225,182.41)</u>	<u>\$ 30,178.57</u>	<u>\$ -</u>	<u>\$ (195,003.84)</u>

[1] See Note section for negative balance explanation.

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

*Stephanie Hill*

9/30/2024

Stephanie Hill, Administrative Services Director

Date

Balance of bond proceeds are held in trust at the Bank of New York Mellon and distributed to members by the LFFA upon request. As of 6/30/2023, all funds have been distributed.

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

**Annual Community Facilities District Report  
Facilities Projects Summary of  
Library Facilities Financing Authority Bond and Special Tax Revenue  
For the City of Scotts Valley  
Fiscal Year Ended June 30, 2024**

**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.

Painting of exterior deck.

Construction of outside shed for storage.

Exterior and interior improvements including major seismic upgrades, enclosing the fireside room, constructing a new entrance vestibule, moving the circulation desks, redesignating areas for age groups, and updating fixtures, carpet, paint and landscaping.

Project is complete. Remaining activity are revenue reimbursements from the special taxes.