

SCOTTS VALLEY FIRE PROTECTION DISTRICT

RESOLUTION NO. 2023-7

A RESOLUTION OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT DETERMINING THAT PUBLIC INTEREST AND NECESSITY DEMAND THE LEVY OF A SPECIAL TAX FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS TO ACQUIRE OR CONSTRUCT IMPROVEMENTS TO REAL PROPERTY TO PROVIDE ESSENTIAL FIRE SERVICES BY SUBMITTING TO THE ELECTORATE AND CALLING A SPECIAL ELECTION THEREON, REQUESTING CONSOLIDATION OF SAID SPECIAL ELECTION AND AUTHORIZING PREPARATION OF A TAX RATE STATEMENT

WHEREAS, the Scotts Valley Fire Protection District (the “District”) provides medical emergency lifesaving services, fast 911 response, wildfire protection and disaster response services provided by the equipment and firefighters housed within the District’s fire stations and facilities; and

WHEREAS, the District’s headquarters does not meet current seismic standards and lacks the space to provide essential emergency services; and

WHEREAS, the District must acquire and construct a new fire station and/or upgrade and properly repair existing fire stations to meet the current needs of the District; and

WHEREAS, the District’s fire stations and facilities must continue to be prepared for unpredictable wildfires and fire risks by having stations and facilities that strategically allow for rapid response to the thousands of acres of improved and unimproved property and open space within the surrounding communities with adequate space to function as local resource centers in the event of a disaster; and

WHEREAS, the District’s fire stations and facilities house firefighters and life-saving equipment, and need to be designed, constructed and improved to allow for optimal and quick deployment of these life-saving resources to ensure efficiency when responding to local 911 calls for medical emergencies such as heart attacks, strokes, vehicle accidents, fires and other life-safety events; and

WHEREAS, the amount of revenue available to the District from property taxes and special taxes is currently inadequate to meet the cost of providing services pursuant to Health and Safety Code section 13862. Therefore, the District must establish a larger stable source of supplementary revenue to assist in meeting the costs of providing such services and exercising other rights and powers of the District; and

WHEREAS, in the judgment of the Board of Directors (the “Board”) of the District, it is advisable to call an election to submit to the electors of the District the question of whether to levy an ad valorem tax on taxable property in the District to secure general obligation bonds (the “General Obligation Bonds”) for the purpose of raising money for the acquisition or improvement of real property to enhance essential fire services as described herein (the “Project”); and

WHEREAS, the proposed Fire Safety Bond Measure (the “Fire Safety Bond Measure”) was developed following extensive public process, and the full text of the Fire Safety Bond Measure is set forth in Appendix A hereto (the “Full Text of Fire Safety Bond Measure”); and

WHEREAS, by law all funds from the Fire Safety Bond Measure are required to be spent only for the acquisition, upgrade and maintenance of fire stations, facilities and real property in the District communities and none of the funds can be spent on salaries, benefits, or pensions or other purposes; and

WHEREAS, all money is legally required to stay local for the acquisition, upgrade and maintenance of fire stations, facilities and real property in the communities served by the District, and none of the money can be seized by government agencies; and

WHEREAS, the District is a fire protection district duly organized and existing under Section 12800 et seq. of the California Health and Safety Code (the “Fire Protection District Act”); and

WHEREAS, by a vote of not less than two-thirds of the voters of the District voting in favor upon a proposition incurring such indebtedness, the District is authorized to issue general obligation bonds, pursuant to Section 13925 et. seq. of Fire Protection District Act and Article 4.5, commencing with Section 53506 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, together with other applicable state law, the “Bond Law”); and

WHEREAS, pursuant to the Bond Law, the District intends to issue the General Obligation Bonds to finance the Project; and

WHEREAS, net proceeds from the sale of the General Obligation Bonds will be used to finance the Project, and not general operating expenses of the District; and

WHEREAS, the District wishes to submit the Fire Safety Bond Measure to the qualified electors of the District at the November 7, 2023 election (the “Bond Election”) for the purpose of securing an ad valorem tax on taxable property in the District which will be used to secure general obligation bonds, the proceeds of which will be spent on the Project and administrative expenses related to the issuance of the General Obligation Bonds and the bond delivery program, to the extent permitted by law; and

WHEREAS, the cost of acquiring and constructing the Project, and the expenses incidental thereto, is and will be too great to be paid out of the ordinary revenue available to the District after the District meets the costs of providing services pursuant to Section 13862 of the Health and Safety Code; and

WHEREAS, pursuant to Section 10403 et seq. of the California Elections Code (the “Elections Code”), it is appropriate for the Board to request the County of Santa Cruz (the “County”) Board of Supervisors to consolidate the Bond Election with any and all other elections to be held on 7th day, November, 2023 within the boundaries of the District, and to request the County Registrar of Voters (the “County Registrar”) to perform certain election services for the District; and

WHEREAS, the Board wishes to consolidate the Bond Election with any and all other elections to be held on 7th day of November, 2023 within the boundaries of the District;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals and Findings. The Board finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the Board hereby further find, determine and declare that in order to assist in financing the acquisition and construction of the Project it is necessary to incur a general obligation bond indebtedness, subject to completion of the proceedings required by the Bond Law.

Section 2. Call for Bond Election. The Board hereby orders an election and submits to the qualified voters of the District the question of whether the General Obligation Bonds shall be issued and sold in one or more series in the maximum principal amount of \$22,240,000 for the purposes described in the Fire Safety Bond Measure approved herein, including Exhibit A (Full Text of Bond Measure) and Exhibit B (Abbreviated Text of Bond Measure), for the purpose of financing the Project and paying costs and expenses incident thereto. The aggregate principal amount of the Bonds shall not exceed 10% of the assessed value of all taxable property within the District. This Resolution constitutes an order of the District to call such action.

Section 3. Consolidation; Manner of Conducting Election. The County Registrar is hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 7, 2023 within the District. The election shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the election with which it is consolidated, as specified herein. The Board acknowledges that such consolidation election will be held and conducted in the manner prescribed in Section 10418 of the Elections Code.

The full text of the Fire Safety Bond Measure, which commences with the heading “FULL TEXT OF FIRE SAFETY BOND MEASURE” and includes all of the text thereafter on Exhibit A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure by the applicable County elections official. As required by Elections Code Section 13247, and in accordance with Elections Code Section 13119, the abbreviated statement of the bond measure to appear on the ballot is attached hereto as Exhibit B and is marked as “Exhibit B – Abbreviated Form of Bond Measure.”

The President of the Board and the Fire Chief are hereby separately authorized and directed to make any changes to the text of the bond measure as described herein to conform to any requirements of the law or the Santa Cruz County Registrar of Voters, to changes in applicable legal provisions, and upon the advice of its District Counsel or Bond Counsel.

Section 4. Tax Rate Statement. The Fire Chief of the District is hereby authorized and directed to prepare or cause to be prepared a tax rate statement (the “Tax Rate Statement”) conforming to the requirements of Section 9401 of the Elections Code, and to file or cause to be filed said Tax Rate Statement with the County Registrar.

Section 5. General Obligation Bonds; Term. The Board hereby certifies that the maximum term of each series of the General Obligation Bonds shall not exceed 30 years and the maximum rate of interest on the General Obligation Bonds shall not exceed 12% per annum, which is the maximum rate permitted by law. The General Obligation Bonds shall be payable from and secured by ad valorem taxes levied and collected in the manner prescribed by the law of the State of California, all equally and ratably secured, without priority, by the taxing power of the District, if two-thirds of all qualified voters voting on the measure vote in favor thereof.

Section 6. Capitalized Interest. Interest to be paid upon the General Obligation Bonds during the estimated period of construction of the Project (and for three years thereafter or less) shall be a capital charge and may be payable out of the principal sum realized from the sale of the bonds exclusive of premium generated by the sale of the bonds and deposited in the debt service fund. Such interest not so paid from bond proceeds shall be paid by the levy and collection of taxes in the manner and to the extent provided by law.

Section 7. Notice. Notice of the election shall be posted as required by the Bond Law and the California Election Code. The County Registrar is hereby requested to give notice of the election as required by Bond Law and California Election Code.

Section 8. Impartial Analysis. Pursuant to Section 9280 of the California Elections Code, the Secretary is hereby directed to submit a copy of this resolution to the District’s general counsel (the “District Counsel”), and the District Counsel or a designee is hereby authorized and directed to prepare an impartial analysis of the ballot proposition showing the effect of the ballot proposition on the existing law and the operation of the ballot proposition. Such analysis shall be submitted by the District Counsel on or before August 1, 2023, shall not exceed 500 words in length and shall comply in all respects with applicable provisions of the California Elections Code.

Section 9. Ballot Arguments; Tax Rate Statement. As provided in Section 9282 of the California Elections Code, any and all members of the Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. In addition, pursuant to Section 9401 of the California Elections Code, the Fire Chief of the District is hereby authorized to finalize and execute a Tax Rate Statement, and to file the Tax Rate Statement with the Santa Cruz County Registrar of Voters.

Section 10. Authorized Representatives. The members of the Board and the Fire Chief (each an “Authorized Representative”) are hereby individually authorized, but not directed, to act as an author of a ballot argument prepared in connection with the election, including a rebuttal argument. Each Authorized Representative and their respective designees are hereby authorized and directed, individually or two or more of them collectively, to do any and all things to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including but not limited to such changes to the text of the

proposition or the Exhibits hereto as required to conform to any requirements of the County Registrar or which may be necessary or desirable to correct or finalize the Measure. All actions heretofore taken by the officers and agents of the District that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 11. County Election Costs. The Fire Chief is hereby authorized to reimburse Santa Cruz County in full for the costs of conducting said election and services actually performed, upon presentation of a bill from Santa Cruz County.

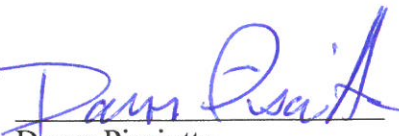
Section 12. Voting. The identification of the Project herein shall not be interpreted as and does not constitute an official approval of any listed project for the California Environmental Quality Act or any other purpose. Furthermore, the listing of facilities in the description of the Project does not imply any particular prioritization among such facilities, which is to be determined by the Board.

Section 13. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED BY THE Board of Directors of the Scotts Valley Fire Protection District, County of Santa Cruz, State of California, at a regular meeting held on July 12, 2023, by the following vote:

	<u>AYES</u>	<u>NOES</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Director Adam Cosner	X			
Director Kris Hurst	X			
Director Joseph Parker	X			
Director Russ Patterson	X			
Director Daron Pisciotta	X			

APPROVED:
ATTEST:


Daron Pisciotta
Board President



Mark Correia
Board Secretary

EXHIBIT A

FULL TEXT OF FIRE SAFETY BOND MEASURE

The County Registrar is requested to print the full text of the Fire Safety Bond Measure set forth below in the voter information pamphlet to be distributed to voters:

INTRODUCTION

The following is the abbreviated form of the bond measure:

FIRE PROTECTION AND SAFETY BOND MEASURE. To construct a new strategically located fire operations facility, command center and repair/replace outdated stations, to be fully operational during a disaster, and seismically safe and accessible, thereby maintaining essential safety services including medical emergency lifesaving services, improved 911 response, wildfire protection and disaster response, shall the Scotts Valley Fire Protection District levy approximately \$27.50 per \$100,000 of assessed value to repay general obligation bonds through maturity?

BOND AUTHORIZATION

The Board of Directors (the “Board”) of the Scotts Valley Fire Protection District (the “District”), has found that it is necessary to improve and enhance essential fire services to the community by levying an ad valorem tax on taxable property in the District to secure general obligation bonds (the “General Obligation Bonds”) that will finance the acquisition and construction of capital improvements, including (i) facilities that support emergency lifesaving medical services, reduce 911 response times and enhance wildfire protection services, (ii) replacing/repairing outdated stations, and (iii) retrofitting fire facilities for earthquake safety (collectively, the “Project”).

The amount of revenue currently available to the District from property taxes and special taxes is inadequate to meet the cost of providing services pursuant to Health and Safety Code section 13862. Therefore, the District must establish a larger stable source of supplementary revenue to assist in meeting the costs of providing such services and exercising other rights and powers of the District.

AUTHORITY

Pursuant to the authority of Government Code Section 53978, Article XIII A and Article XIII B of the California Constitution, and Health and Safety Code Section 13911, this Measure, if passed by two-thirds voter approval, would create a Scotts Valley Fire Protection District voter-approved special tax levied for strategic fire protection, rescue, and emergency medical services for the benefit of qualified voters of the District.

OBJECT AND PURPOSE

This measure (the “Fire Safety Bond Measure”) authorizes the levy of an ad valorem tax on taxable property in the District to secure the issuance of the General Obligation Bonds, the object and purpose of which is to finance the Project and certain costs in connection with the issuance of the General Obligation Bonds. In particular, the proceeds from this Measure will be used to maintain and improve the level of community-based fire protection services provided by the District.

ESTIMATED COSTS OF PROJECT

The estimated total cost of the Project to be paid from General Obligation Bond proceeds is \$22,240,000. The estimated costs include design, engineering, architect, planning and construction costs, rating agency fees, insurance fees, legal and consulting fees and other costs and expenses incidental to or connected with the Project as well as the authorization, issuance, and sale of the General Obligation Bonds. The final cost will be determined as plans are finalized, construction bids are awarded, or projects are completed.

PRINCIPAL AMOUNT OF BONDS

The aggregate principal amount of the General Obligation Bonds to be issued will not exceed \$22,240,000.

MAXIMUM INTEREST RATE

The maximum rate of interest to be paid on the General Obligation Bonds will not exceed 12% per annum.

ACCOUNTABILITY REQUIREMENTS

The following accountability measures apply to the issuance of the General Obligation Bonds pursuant to this Fire Safety Bond Measure:

- (a) The specific purpose of the General Obligation Bonds is to finance the Project; and
- (b) The proceeds from the sale of the General Obligation Bonds will be used only for the purposes specified in this Fire Safety Bond Measure, and not for any other purpose; and
- (c) The proceeds of the General Obligation Bonds will be deposited into an account to be created and held by the District; and
- (d) The Fire Chief of the District shall file an annual report with the Board which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the Project.

IDENTIFICATION OF TAX; USE OF REVENUE

The tax imposed by this Fire Safety Bond Measure is an ad valorem tax levied upon taxable real property in the District. The tax will be used to pay the principal and interest on the General Obligation Bonds.

EXHIBIT B

ABBREVIATED FORM OF FIRE SAFETY BOND MEASURE

The County Registrar is requested to cause the exact wording of the following abbreviation of the Fire Safety Bond Measure to appear on the ballot:

MEASURE []

FIRE PROTECTION AND SAFETY BOND MEASURE. To construct a new strategically located fire operations facility, command center and repair/replace outdated stations, to be fully operational during a disaster, and seismically safe and accessible, thereby maintaining essential safety services including medical emergency lifesaving services, improved 911 response, wildfire protection and disaster response, shall the Scotts Valley Fire Protection District levy approximately \$27.50 per \$100,000 of assessed value to repay general obligation bonds through maturity?