



Midpeninsula Regional
Open Space District

R-14-33
Meeting 14-06
February 12, 2014

AGENDA ITEM 8

AGENDA ITEM

Resolution of Public Interest in and Necessity for Providing Public Access, and Acquiring, Restoring, and Preserving Open Space Throughout the District, with Financing Through the Issuance of General Obligation Bonds

GENERAL MANAGER'S RECOMMENDATION

Approve the Resolution of Public Necessity as proposed in Exhibit A.

SUMMARY

The proposed resolution is the required first step in pursuing voter approval for the issuance of general obligation bonds secured by real property taxes. The resolution requires a two-thirds vote (five aye votes) of the Board of Directors for adoption.

DISCUSSION

The Board has expressed its interest in pursuing voter approval for the issuance of \$300 million in General Obligation Bonds. The District's enabling legislation authorizes districts to issue general obligation bonds to finance open space improvements and acquisition. (Public Resources Code section 5568) This authorizing legislation requires compliance with Government Code section 43600 *et seq.*, which lays out the requirements for funding municipal improvements through bonded indebtedness. (*Ibid.*)

Under these statutes, the first official step that must be taken to initiate the proceedings for incurring bonded indebtedness is the adoption of "a resolution by a two-thirds vote of all (Board members) determining that the public interest or necessity demands the acquisition, construction, or completion of any municipal improvement." (Gov. Code section 43607.) The "improvements" are the capital improvement components of the Vision Plan Tier One Priority Actions approved by the Board on January 29, 2014 (R-14-25). This proposed list of improvements is incorporated into the proposed funding measure as the "Expenditure Plan."

District staff, with the assistance of outside bond counsel, has prepared a proposed resolution for the Board to initiate the process of issuing bonds to fund these improvements. It is attached as "Exhibit A." The resolution is short, providing the required context, purpose, and findings necessary to move forward with the proposed funding measure.

Following this item on tonight's agenda, there is a related recommendation to introduce (first reading) an ordinance that would put the proposed funding measure before the voters. Combined, these two steps – the adoption of the resolution and the introduction of the ordinance

– are necessary predicates to putting the question forward for voter approval. They are not the final steps and do not bind the Board to any final decision to pursue the funding measure. The final step is the adoption of the ordinance, which would be before the Board at its February 26, 2014 meeting. The Board could choose to approve the steps proposed tonight and, at the February 26, 2014 meeting, could still decide against putting the matter to the voters.

BOARD COMMITTEE REVIEW

The Timeline for putting a funding measure on the ballot was discussed with the Capital Finance Program Ad Hoc Committee on January 6th, 15th, 17th, and 29th in 2014.

FISCAL IMPACT

There are no immediate fiscal impacts from the adoption of the proposed resolution. The failure to adopt the proposed resolution, however, would mean the District would not be able to pursue the proposed funding measure, which is crafted to generate \$300 million in bond proceeds for a wide range of capital improvements.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

The adoption of the proposed Resolution is not a “project” under CEQA.

NEXT STEPS

If the Board adopts this resolution and performs the first reading of the related ordinance also on the agenda tonight, staff will bring the ordinance back to the Board for final approval at its February 26, 2014 regular meeting.

Attachment:

Exhibit A: Resolution of Public Interest in and Necessity for Providing Public Access, and Acquiring, Restoring, and Preserving Open Space Throughout the District, with Financing Through the Issuance of General Obligation Bonds

Responsible Department Head:

Steve Abbors

Prepared by:

Sheryl Schaffner

RESOLUTION NO. 2014-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND PROVIDING PUBLIC ACCESS, AND ACQUIRING, RESTORING, AND PRESERVING OPEN SPACE THROUGHOUT THE DISTRICT WITH FINANCING THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS

WHEREAS, section 5568 of the Public Resources Code of the State of California authorizes districts to issue general obligation bonds to finance regional and local park, recreational and open space land and improvements upon full compliance with the provisions of Article 1, commencing with section 43600, of Chapter 4 of Division 4 of Title 4 of the Government Code of the State of California (the "Act");

WHEREAS, the Midpeninsula Regional Open Space District (the "District") intends to issue general obligation bonds under and pursuant to the Act to provide public access and acquire, restore and preserve open space throughout the District with financing through the issuance of general obligation bonds; and

WHEREAS, in order to initiate proceedings under the Act to provide for the financing of the Expenditure Plan (defined below), this Board must make certain findings and determinations.

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

1. The public interest and necessity demands, and it is the intention of this Board to provide public access and acquire, restore and preserve open space throughout the District with financing through the issuance of general obligation bonds as detailed in the accompanying ordinance (the "Expenditure Plan"), subject to completion of the proceedings required by the Act.

2. The estimated cost of the Expenditure Plan is not to exceed \$300,000,000. Said estimated costs include provision for legal and other fees, and other costs and expenses incidental to or connected with the issuance and sale of general obligation bonds to finance the costs of the Expenditure Plan.

3. This Board hereby finds and determines that the costs of the Expenditure Plan require expenditure by the District greater than the amount allowed for it by the annual tax levy of the District. The principal amount of general obligation bonds of the District to be issued for the Expenditure Plan will not exceed the estimated cost set forth above for the Expenditure Plan. The improvements described in the Expenditure Plan constitute a single purpose under section 43609 of the California Government Code.

4. This Resolution is adopted, and general obligation bonds of the District, if approved by two-thirds of all qualified voters voting on the issuance of such bonds, are to be issued, pursuant to section 5568 of the Public Resources Code of the State of California and the Act.

5. This Resolution shall take effect upon its adoption by two-thirds of all members of the Board of Directors of the Midpeninsula Regional Open Space District.

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2014, at a Regular Meeting thereof, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

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

District Clerk