

# **IMPARTIAL ANALYSIS OF MEASURE AV**

## **By Mary C. Wickham, County Counsel**

Approval of Measure AV ("Measure") would authorize the Board of Directors ("Board") of the Antelope Valley Healthcare District ("District"), which placed the Measure on the ballot by Resolution No. 112019B, and stated the purpose of the Measure in Resolution Nos. 112019A and 112019B, to issue general obligation bonds in a maximum principal amount not to exceed \$350,000,000.

Proceeds from the sale of the bonds authorized by the Measure shall be used only for the purposes specified in the Measure for the Antelope Valley Hospital Project ("Project"), including, but not limited to, constructing, furnishing, equipping and supplying a new Antelope Valley Hospital to meet energy efficiency, seismic, fire, and accessibility requirements.

The Board shall establish a bond Oversight Committee ("Committee"), with residents or taxpayers of the District serving on the Committee, and cause an independent financial audit be conducted annually regarding the collection, management, and expenditure of revenue from the bonds. The Board shall deposit bond proceeds in a separate account. The Chief Financial Officer of the District shall cause a report to be filed with the Board and the Committee annually no later than January 1 of each year, showing the amount of the bond proceeds collected and expended, and the status of the Project.

Approval of the Measure does not guarantee the proposed Project will be funded beyond the local revenues generated by the Measure. The District's Project may assume receipt of matching State funds subject to appropriation by the Legislature or approval of a statewide bond measure.

Bonds shall be issued pursuant to the California Constitution, Health and Safety Code, Government Code, and other laws. The District expects to sell the bonds in three series beginning in 2020. The maximum rate of interest to be paid on the bonds shall be 8% per annum and shall be payable semiannually or annually except that interest for the first year after the date of the bonds may be made payable at the end of said year. According to the District's Tax Rate Statement, the best estimate of the average annual tax rate required to fund the bonds, based on assessed valuations available when the District filed the statement, is \$40 per \$100,000 of assessed value. The final fiscal year in which a tax is anticipated to be collected is 2050-51. The estimated total debt service required to be repaid if all bonds are issued and sold is \$607,000,000, including principal and interest. Estimated tax rates are based on the assessed value of taxable property on official rolls, not on a property's market value.

This Measure requires a two-thirds (2/3) vote for passage.