

CITY OF ALAMEDA ORDINANCE NO. _____
New Series

CALLING A SPECIAL ELECTION AND ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED DEBT FOR THE PURPOSE OF FINANCING CLEAN WATER, STREET INFRASTRUCTURE AND DISASTER/EMERGENCY PREPAREDNESS IMPROVEMENTS THROUGHOUT THE GEOGRAPHIC BOUNDARIES OF THE CITY TO THE QUALIFIED VOTERS OF THE CITY OF ALAMEDA AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018

WHEREAS, with so much uncertainty in the federal government, it is more important than ever for the City of Alameda to identify locally-controlled funding sources that allow the City to address vital needs and community priorities; and

WHEREAS, Alameda's twenty-one community and neighborhood parks and beaches are an important part of what makes this community special, and the City seeks to upgrade storm drains to keep pollution out of our beaches and Bay, so local parks, beaches and waters are safe and clean for residents and the public to enjoy; and

WHEREAS, State Water Board regulations among other factors require the City to make millions in repairs and maintenance to the City's deteriorating storm drain system, helping keep pollution out of the Bay, preventing flooding, and avoiding expensive state fines; and

WHEREAS, Alameda has a backlog of millions in street maintenance and road repair projects which are needed to improve traffic safety and limit traffic congestion; and

WHEREAS, the City has a long-time commitment to properly prepare the community of Alameda for the next disaster and to respond to emergencies such as earthquake and flooding, including effective 911 emergency responses and up-to-date public safety facilities, as evidenced by the construction of the new Emergency Operations Center; and

WHEREAS, on February 20, 2018, this Council adopted, by a two-thirds vote of all the members of this Council, a Resolution entitled " DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE MAKING OF INFRASTRUCTURE IMPROVEMENTS AND THEIR FINANCING THROUGH THE ISSUANCE GENERAL OBLIGATION BONDS;" and

WHEREAS, in order to provide for the issuance by the City of its general obligation bonds to finance the costs of clean water, disaster-emergency preparedness, storm drain and street infrastructure improvements throughout the geographic boundaries of the City, it is necessary for this Council to pass an ordinance ordering the submission of the proposition of incurring bonded indebtedness for such purpose to the qualified voters of the City at an election; and

WHEREAS, Section 19-1 of the City Charter allows for a Special Municipal Election to be held in conformance with the Charter and/or any other applicable law related to general law cities; and

WHEREAS, Section 19-3 of the City Charter provides a Special Municipal Election shall be held in accordance with the provisions of the California Elections Code of the State of California insofar as those provisions do not conflict with the Charter; and

WHEREAS, under the provisions of the City Charter, the City Council has determined that a Special Municipal Election shall be held June 5, 2018, to submit to the voters a measure for the purpose of incurring bonded indebtedness for such purpose to the qualified voters of the City at an election; and

WHEREAS, the City Council desires to submit to the voters at the election the proposition of incurring bonded indebtedness as hereinafter set forth.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALAMEDA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Ballot Proposition. That the following question shall be submitted to the voters of the City at the Special Municipal Election to be held on June 5, 2018:

“Alameda Clean Water/Disaster-Emergency Preparedness/Pothole Repair Bond. To upgrade storm drains, keep pollution from the Bay, and beaches/parks clean, protect drinking water, address sea-level rise/flooding; repair deteriorating streets/potholes/ police and fire facilities, improve traffic congestion/safety; and other infrastructure, shall the City of Alameda issue \$95,000,000 in bonds with average levy of \$23 per \$100,000 of assessed value, generating approximately \$6,000,000 annually to pay bonds over 36 years, and requiring fiscal accountability?”

_____ YES _____ NO

SECTION 2. Object and Purpose of Bonds. The object and purpose of issuing the Bonds is to finance the costs of providing and/or enhancing public infrastructure to keep the Bay clean; reduce pollution and prevent flooding; address sea-level rise; ensure clean drinking water and safe, clean parks; street and pothole repair; traffic safety/traffic congestion management; disaster-emergency preparedness and other capital projects adopted by the City Council. The foregoing improvements are referred to herein as the "Project" and include, but are not limited to, projects identified in City's capital plans, such as improvements or reconstruction of the City's streets and storm drains, sewer lines, Fire Stations 2 and 5; levee repair; protection and upgrades of at-risk water lines; projects included in the City's Transportation Choices Plan and park improvement plans; and other similar plans approved by the City Council. The bonds are intended to fund capital projects that would not otherwise be completed due to a shortage of funds, and are not

intended to be used to maintain spending levels previously supported by other revenue sources, including the General Fund. Baseline funding levels are found in the City's adopted budgets for Fiscal Years 2012 through 2017.

SECTION 3. Estimated Cost of Improvements. The estimated cost of the portion of the costs of the Project to be paid for from the City's general obligations bonds is \$95,000,000. The estimated cost includes legal and other fees and the cost of printing the bonds and other costs and expenses incidental to or connected with the authorization, issuance and sale of bonds. The cost of constructing the improvements in excess of \$95,000,000 will be paid for from other funds of the City.

SECTION 4. Principal Amount of Bonds. The amount of the principal of the indebtedness to be incurred is not to exceed ninety-five million dollars (\$95,000,000).

SECTION 5. Maximum Interest Rate. The maximum rate of interest to be paid on the indebtedness shall be twelve percent (12%) per annum.

SECTION 6. Issuance and Sale of Bonds. This City Council does hereby call a special municipal election on Tuesday, June 5, 2018, and submit to the qualified voters of the City, at said Special Municipal Election, the proposition set forth in Section 1 hereof. The City proposes to construct and complete the Project, and to issue and sell general obligation bonds of the City pursuant to Article I, commencing with section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above, if two-thirds of all qualified voters voting on the proposition set forth above vote in favor thereof. The bonds are to be general obligations of the City, payable from and secured by taxes levied and collected in the manner prescribed by laws of the State of California. All of said bonds are to be equally and ratably secured, without priority, by the taxing power of the City.

SECTION 7. Consolidation; Manner of Conducting Election. That in all particulars not recited in this Ordinance, the election shall be held and conducted as provided by law for holding municipal elections. That pursuant to the requirements of section 10403 of the California Elections Code, the Board of Supervisors of the County of Alameda (the "County") is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide Election on Tuesday, June 5, 2018, and said election shall be held in all respects as if there were only one election and only one form of ballot shall be used.

SECTION 8. Procedure for Voting on Proposition. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the proposition on the ballot, in accordance with procedures to be adopted by the authorized officers of the County charged with conducting the election.

SECTION 9. Time and Place of Election. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in the time, form, and manner required by law.

SECTION 10. Publication of Ordinance. This Ordinance shall be published once a day for at least seven days in a newspaper printed, published and circulated at least six days a week in the City, or once a week for two weeks in a newspaper printed, published and circulated less than six days a week in the City. The first of said publications shall, in either event, be within fifteen (15) days after the adoption of this Ordinance. The City Clerk is hereby directed to fax a copy of this ordinance to the County Registrar of Voters (fax number (510) 272-6982 no later than 4:00 p.m. on Friday, March 9, 2018, and file (or cause to be filed) a certified copy of this resolution no later than the close of business on Friday, March 9, 2018, with the County Registrar of Voters and the Clerk of the County Board of Supervisors.

SECTION 11. Canvassing Election Returns. The Board of Supervisors is hereby authorized to canvass the returns of said City Bond Election.

SECTION 12. Election Instructions. The Board of Supervisors is hereby requested to issue instructions to the County Elections Department to take any and all steps necessary for the holding of the said consolidated elections.

SECTION 13. Accountability Requirements. As required by section 53410 of the Government Code, a statement in substantially the following form shall be included on the ballot for the Bonds, and the City Council covenants to comply with the reporting requirements contained in Section 53411 of the Government Code:

Accountability Measures

As required by Section 53410 of the California Government Code, the following accountability measures are hereby made a part of the City's Bond Measure (the "Measure"):

- (a) The specific purpose of the bonds is to finance the costs of the Project;
- (b) The proceeds from the sale of the City's bonds will be used only for the purposes specified in the Measure, and not for any other purpose;
- (c) The proceeds of the Bonds will be deposited into a separate Clean Water, Disaster-Emergency Preparedness, Storm Drain, and Street/Pothole Improvement Fund to be held by the City; and
- (d) The City Manager of the City shall file an annual report with the City Council of the City, commencing not later than January 1, 2020, and annually thereafter, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the Project.

In addition to those required measures, the City shall create an independent oversight committee, including the City's elected Auditor, Treasurer, and one member of the public selected by the City Council, to monitor Project spending and report to the City Council in a public manner as to whether the money has been spent as promised to the public.

SECTION 14. Estimated Tax Rate. At this time, the best estimate from official sources of the tax rate required to be levied to fund the bond issue is set forth in the Tax rate Statement attached hereto as Exhibit A.

SECTION 15. Reimbursement for Election Costs. That the City recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 16. Ballot Form and Content. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 17. Actions and Materials Necessary for Conducting Election. That the City Clerk is authorized, instructed and directed to have the County Election Department procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election. The City Manager is authorized to make changes to the ballot language as required by the County Clerk and/or County Registrar of Voters.

SECTION 18. Election Polls. That the polls for the election shall be open at 7:00 A.M. of the day of the election and shall remain open continuously from that time until 8:00 P.M. of the same day when the polls shall be closed, except as provided in section 14401 of the California Elections Code.

SECTION 19. Ballot Arguments. Pursuant to section 10403 of the California Elections Code, March 9, 2018, is to be the deadline for submission to the Board of Supervisors by a local agency of the ordinance or resolution requesting consolidation with the statewide election and any resolution or ordinance placing a measure on the June 5, 2018, ballot. Pursuant to section 9286 *et seq.* of the California Elections Code, March 8, 2018, at 6:00 P.M. shall be the deadline for submission of arguments in favor of, and arguments against, any local measures on the ballot. If more than one argument for and/or against is received, the priorities established by section 9287 of the California Elections Code shall control. Individual Council members can file a written argument or any rebuttal argument for or against this Measure but shall not use their current titles in doing so.

SECTION 20. Rebuttal Arguments. The provisions of section 9285 of the California Elections Code shall control the submission of any rebuttal arguments. The deadline for filing rebuttal arguments shall be March 15, 2018, at 6:00 P.M.

SECTION 21. Impartial Analysis. The City Council directs the City Clerk to transmit a copy of the measure to the City Attorney, who shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 22. Effective Date. This Ordinance shall become effective immediately as an ordinance relating to an election pursuant to section 36937(a) of the California Government Code upon its adoption by two-thirds vote of all the members of this City Council.

EXHIBIT A

TAX RATE STATEMENT

An election will be held in the City of Alameda (the "City") on June 5, 2018, to authorize the sale of up to \$95,000,000 in bonds of the City for the specific projects listed in the resolution of the City Council of the City authorizing the submission of a proposition therefor to the citizens of the City. If the bonds are authorized, the City expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the City. The following information is provided in compliance with sections 9400-9404 of the California Elections Code.

(1) The best estimate of the tax rate that would be required to be levied to fund the bonds during the first fiscal year after the sale of the bonds based on estimated assessed valuations available at the time of filing of this statement, is 1.3 cents per \$100 of assessed valuation (\$13.36 per \$100,000 of assessed valuation) in fiscal year 2019-20.

(2) The best estimate of the highest tax rate that would be required to be levied to fund the bonds, based on estimated assessed valuations available at the time of filing of this statement, is 3.8 cents per \$100 of assessed valuation (\$38.15 per \$100,000 of assessed valuation) in fiscal year 2025-26.

(3) The best estimate of the average tax rate which would be required to be levied to fund the bonds during the life of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is 2.3 cents per \$100 of assessed valuation (\$23.33 per \$100,000 of assessed valuation).

(4) The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$180,000,000 (\$95,000,000 of principal and \$85,000,000 of interest). This estimate is based on assumptions regarding future interest rates and the term, timing, structure and amount of each series of bonds.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the City or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on Alameda County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the City's projections and estimates only, which are not binding upon the City. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the City as determined by the Alameda County Assessor in the annual assessment and the equalization process.

Dated: _____, 2018.

City of Alameda

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I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the ___ day of _____, 2018, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ___ day of _____, 2018.

Lara Weisiger, City Clerk
City of Alameda

Approved as to form:

Janet C. Kern, City Attorney
City of Alameda