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IMPARTIAL ANALYSIS OF MEASURE P

12 Foster City (the "City") is protected by approximately 8 miles of levee surrounding
 7 its perimeter. Based on a revised Federal Emergency Management Agency
 7 (FEMA) Coastal Flood Hazard Study with maps that became effective in 2017,
 12 roughly 85% of the City's levee does not meet new FEMA accreditation
 14 standards. If the levee is not improved to meet FEMA's new standards, the City
 9 will be designated a Special Flood Hazard Area. Individuals and businesses in
 16 the City will then be required to buy flood insurance prior to receiving any type of
 12 direct or indirect federal financial assistance (such as any loan, grant, guaranty,
 10 insurance, payment, subsidy, disaster assistance, or mortgage loan from a
 12 lender that is federally regulated or whose deposits are federally insured). Levee
 7 Improvement Bond Measure P would fund improvements for the City's levee
 10 system as required to meet FEMA's new accreditation standards. These
 10 improvements would provide additional protection against floods, sea level rise,
 8 and avoid FEMA designating the City a Special Flood Hazard Area.

11 Article 16, Section 18 of the State Constitution authorizes a city to issue general
 13 obligation bonds if at least two-thirds (66 2/3%) of those voting in that city
 9 approve the issuance of the bonds. Levee Improvement Bond Measure P on this
 12 ballot is a general obligation bond to be issued by the City.

13 General obligation bonds are used by cities to raise money for large capital
 13 projects that benefit their citizens, will last many years, and have costs that
 12 exceed available cash resources. If approved, Measure P bonds would be sold to
 14 investors and the City would be required to pay back the amount borrowed, plus
 14 interest. The bonds are repaid by property taxes levied on all taxable property in
 2 the City.

8 Levee Improvement Bond Measure P would authorize the City to issue general
 15 obligation bonds in an amount not to exceed \$90 million. The bonds will have an
 14 interest rate not exceeding 12% and are estimated to mature not more than 30
 14 years after issuance. The City's best estimate of the average annual tax rate levy
 12 per \$100,000 assessed valuation ("AV") to pay annual debt service on these
 14 bonds is \$39.66, assuming all the bonds are issued in December 2018 at a true
 14 interest cost of 3.62%. The highest estimated tax rate is \$40.01 per \$100,000 AV.
 14 Total debt service for the bonds is estimated to be \$155,122,284 over 30 years
 6 (\$90 million in principal plus interest).

14 These estimates are based on projections only, which are not binding on the City.
 14 Actual tax rates in the future will depend on variables such as market conditions
 14 when bonds are sold, the number of and timing of bond sales, and actual
 8 assessed valuation over the term of the bonds.

16 A "yes" vote on this measure would be in favor of authorizing the City to issue
 14 general obligation bonds in an amount not to exceed \$90 million to construct the
 11 levee improvements described above. A "no" vote would be against authorizing
 4 the issuance of bonds.

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See Elections Code section 9400-9405 for required content and 9280 for word limit
 and 9280 - 9287 regarding arguments concerning city measures.