

**IMPARTIAL ANALYSIS OF MEASURE V**

The Black Mountain Park Ballot Measure would authorize the City of San <sup>6</sup> Carlos ("City") to issue general obligation bonds in a maximum amount of <sup>10</sup> \$45,000,000 to acquire and make park improvements to the property known <sup>12</sup> as the Black Mountain Properties. The Black Mountain Properties include <sup>10</sup> approximately 23.5 acres and are within the City's R-6 zoning district, which <sup>13</sup> has a maximum potential density of six residential units per net acre. The <sup>13</sup> property acquisition would protect a local water source and wildlife habitat. <sup>11</sup> The improvements would enhance access to tranquil natural areas and parks, <sup>11</sup> and provide walking trails, recreation and public restroom facilities. <sup>9</sup>

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The California Constitution and Government Code Sections 43600 and 53506 <sup>7</sup> et seq. authorize issuance of general obligation bonds to finance municipal <sup>11</sup> improvements if at least two-thirds (66<sup>2/3</sup>%) of those voting approve the bond <sup>13</sup> issuance. Bond financing is a type of long-term borrowing used to raise <sup>12</sup> money for property acquisition and improvements. A city must repay the <sup>11</sup> amount borrowed plus interest. The money raised from bond sales is used to <sup>13</sup> pay for large capital projects, such as parks and other civic facilities, that <sup>12</sup> benefit residents but that may not raise revenue or completely pay for <sup>12</sup> themselves (e.g. libraries or parks). <sup>S</sup>

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When general obligation bonds are sold by a city they are repaid by a <sup>14</sup> property tax levied on all taxable property in the city. The Black Mountain <sup>12</sup> Park Ballot Measure, which the City Council placed on the ballot, is a City- <sup>10</sup> issued general obligation bond to acquire and improve the "Public Park <sup>11</sup> Property" referred to as the Black Mountain Properties. <sup>6</sup>

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The interest rate on the Black Mountain Park Ballot Measure bonds cannot <sup>8</sup> exceed 12 percent per annum. The City's estimate of the average annual <sup>12</sup> property tax rate levy per \$100,000 assessed valuation to pay annual debt <sup>13</sup> service on these bonds is \$19.78, assuming all the bonds are issued in <sup>14</sup> February 2016 at an approximate interest rate of 3.8%. The highest estimated <sup>13</sup>

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tax rate is \$20.90 in 2016-2017. Total debt service for the bonds is currently 16  
estimated to be \$86,712,800 over 30 years (\$45,000,000 in principal plus 15  
interest). These estimates are based on projections only, which are not 12  
binding on the City. Actual tax rates in the future will depend on market 14  
conditions when bonds are sold, the number of series and timing of bond 13  
sales, and actual assessed valuation over the term of the bonds. The City's 13  
estimate assumes 3.5% annual assessed valuation growth. Growth at a lower 12 129  
rate would mean average tax levies higher than \$20, while higher growth 13  
rates would mean lower future tax levy rates. The City's average annual 12  
assessed valuation growth rate for the 10 years ending 6/30/15 is 4.6%. 13

A "yes" vote on this measure would be in favor of authorizing the City to 15  
issue general obligation bonds in an amount not to exceed \$45,000,000 for 13 45  
the purposes described above. A "no" vote would be against authorizing the 12  
City to issue such bonds. 5



Steve Mattas, Acting City Attorney

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I hereby certify this to be a full, true and correct  
copy of the document it purports to be as the  
same is on file in my office.

Dated 8-14-15

  
City of San Carlos

FILED IN THE OFFICE OF THE  
CHIEF CLERK  
OF SAN CARLOS COUNTY

AUG 14 2015

  
DEPUTY CLERK