

MEASURE A

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE A

Measure A would authorize the levy of a special tax and would authorize \$788,000,000 in bonds for Community Facilities District (CFD) No. 2011-1, formed by the Santa Clara Unified School District to fund land acquisition and development of school facilities to serve 10,000 anticipated new residential units. This Measure would also permit the expenditure of the special tax revenues and bond proceeds and would raise the annual appropriations limit in the amount of special taxes collected. The Measure will pass or fail as a whole and requires the approval of two-thirds of those voting on the Measure.

The special tax would be used for: construction, modernization, rehabilitation and improvement of elementary and secondary school facilities, including school site support and administrative facilities, and for related planning, design, engineering, environmental, legal, and financial consultation; land acquisition; debt service and other periodic payments on bonds; incidental expenses, such as the costs of formation of CFD No. 2011-1, of holding an election, and of establishing and collecting taxes authorized by this Measure. Bond proceeds would finance the facilities.

The special tax would be apportioned among residential properties within CFD No. 2011-1 as follows:

Existing Residential Property

A maximum annual special tax in the amount of \$19 would be levied on existing residential property, subject to an annual increase not to exceed 2%, compounded each July 1, commencing July 1, 2012. Parcels with multiple structures or with a structure having multiple residential units would be levied a maximum annual special tax in the amount of \$19 per residential unit. "Existing residential property" is defined as any parcel constituting taxable property subject to ad valorem taxation and on which a residential unit exists or for which a building permit(s) was issued before December 31, 2010.

New Residential Property

An up-front special tax in the amount of \$6,500 would be levied upon issuance of a residential building permit. An annual special tax would also be levied on new residential units in the amount of \$1,960. These tax amounts would be subject to an annual increase of 4%, compounded each July 1, commencing July 1, 2012, until assigned to a property, at which time the escalator on the annual special tax would be reduced for that property to 2% annually, compounded. New residential property includes any parcel subject to ad valorem taxation and for which a residential building permit(s) is issued after December 31, 2010.

The annual special tax would be collected only so long as needed for the purposes described above, but in no event for more than 30 years beginning the year a property is first subject to payment of the annual tax. The proposed special tax and bond issuance meet the accountability requirements of state law.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE A - Continued

A "yes" vote is a vote to levy a special tax on residential parcels within Community Facilities District No. 2011-1 and to approve the issuance of \$788,000,000 in bonds.

A "no" vote is a vote not to levy a special tax on residential parcels within Community Facilities District No. 2011-1 and not to issue bonds to finance facilities.

Miguel Marquez
County Counsel

By: /s/ Orry P. Korb
Assistant County Counsel

COMPLETE TEXT OF MEASURE A

To prevent severe overcrowding and excessive busing of students, maintain local neighborhood schools, and meet future classroom facility needs created by new residential housing, shall Community Facilities District No. 2011-1 of the Santa Clara Unified School District (the "CFD"), be authorized to levy an annual special tax of \$19.00 on existing residential units, and a one-time and annual special tax on new residential units as prescribed in the Resolution of Formation adopted on November 23, 2010 ("Resolution 10-47"); and shall the CFD be authorized to issue up to \$788,000,000 in bonds, with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, such rates not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to pay for the Facilities described in Resolution 10-47, the principal and interest on such indebtedness to be paid from the special taxes so levied; and shall an appropriations limit be established for the CFD pursuant to Section 8(h) of Article XIIIB of the California Constitution, said appropriations limit to be equal to the maximum amount of bonded indebtedness authorized to be incurred for the CFD?

ARGUMENT IN FAVOR OF MEASURE A

YES on Measure A - Make the developers pay their share.

Residential real estate development in North San Jose will add 16,000 new properties to the Santa Clara Unified School District over the coming years. Developers will earn millions selling and renting these properties. In turn, the residents who move in to these units will add thousands of students to Santa Clara Unified School District.

Measure A requires the developers who earn tremendous profits selling and renting these new properties to help pay for the new schools needed for all the new students who reside in these units. Specifically, Measure A requires developers to pay upfront and ongoing taxes to assist in the purchase of land and construction of a new K-8 and High School in North San Jose.

Measure A provides a critical (and excellent) opportunity for existing property owners. It requires developers to share the cost of school facilities with existing residents in a fair manner. While Measure A does place a \$19 dollar annual tax on existing units, property owners will likely see an overall decrease in taxes over time as new properties are developed and taxed, thereby spreading the cost of school facilities across a greater number of properties.

The Santa Clara Unified School District has long provided an excellent education to all of its residents, including those who live in North San Jose. Measure A will continue this legacy of quality schools - by requiring developers to pay their fair share of the cost of this excellent education in return for the profits they make.

Measure A is a win for existing residents of Santa Clara Unified School District and a win for our students.

YES on Measure A!

/s/ Andrew Ratermann
School Board President

/s/ Jim Canova
School Board Trustee, Area 2

/s/ Jim Foran
Director, Santa Clara County Open Space Authority

/s/ MaryAnne Velard
Resident

/s/ Erik D. Kaeding
Resident

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE A

When it comes to taxes, Measure A is not just about developers. While many families are struggling, Measure A will raise taxes on every single property owner for 30 years and it will cost new homeowners \$1,960 annually.

Don't believe it when the proponents suggest that your taxes will "go down after they go up". It's just as likely your taxes will "go up... and then up...and then up again" because the approved housing developments and the schools, parks, and retail they would build could be abandoned if Measure A passes.

As parents and community members, we oppose Measure A because the North San Jose developers are already offering to pay more than their fair share of development fees for schools. As a matter of fact, the developers have offered the district 250% of the required fees, a very significant offer of over \$40 million.

The developers' \$40 million offer could pay for a brand-new state of the art K-8 school in North San Jose. However, by placing Measure A on the ballot, the district has rejected this offer and chosen instead to put the future of our students and teachers at risk.

Remember- The spending of prior bond funds was questioned by the Santa Clara County Grand Jury, Measure A doesn't include independent oversight or audits of the \$788 million to ensure accountability, and the district is spending \$155,000 on this special election that would be better spent in the classroom.

Join us and Vote NO on A.

/s/ Shilpa Patel
Resident of Millbrook, Santa Clara USD Parent

/s/ Thomas E. Doherty
SCUSD Parent

/s/ Kimberly J. Lain
SCUSD Parent

/s/ Kansen Chu
San Jose City Council Member

/s/ Patricia M. Dando
President - CEO San Jose Silicon Valley Chamber of Commerce

ARGUMENT AGAINST MEASURE A

Parents of local school children, community leaders and San Jose Councilmember Kansen Chu say No on A . We must call for a more responsible plan that can build new schools without raising taxes on many families that are already struggling in today's economy.

We're disappointed that more homework wasn't done before decision-makers rushed to the ballot with this unfair tax. For example, an offer was recently made by five residential developers to provide \$40 million to build a state-of-the-art K-8 elementary school on the Agnews property. This \$40 million plan would have delivered the school our kids and teachers need, without raising taxes on local homeowners. By placing Measure A on the ballot, this deal was rejected in favor of an uncertain path that would result in \$788 million in taxes and debt. Plus, an independent study projects that this measure would create an annual operating deficit ranging from \$8 million to \$33 million.

No Accountability: We are also concerned about the lack of accountability in this measure. The Santa Clara County Grand Jury found that spending from prior bonds passed by Santa Clara Unified have been poorly planned and executed. Despite this finding, Measure A was drafted so that it does not require any accountability measures. If passed, there would be NO independent citizen's oversight committee, and NO independent audits of how the \$788 Million is spent.

If Measure A passed, the additional housing approved for our area would be delayed or abandoned, resulting in an immediate loss of projected tax revenue that we're counting on to fund the schools, parks, retail opportunities and infrastructure our area needs.

This special election is costing \$154,000 that could've been better spent on teachers and programs. Please join us and Vote No on A.

www.parentsagainstwastefultaxes.org

/s/ Shilpa Patel
Resident of Millbrook, Santa Clara USD Parent

/s/ Thomas E. Doherty
Santa Clara USD Parent, High Tech Consultant, Homeowner

/s/ Deborah Hill
Resident of Villagio Condo @ River Oaks

/s/ Pamela Sell
12 year Resident of California Renaissance

/s/ Carl Guardino
President & CEO, Silicon Valley Leadership Group

REBUTTAL TO ARGUMENT AGAINST MEASURE A

The opponents to Measure A are not providing accurate information about who pays what for new schools. They are utilizing scare tactics to keep you from getting neighborhood schools. The folks who oppose Measure A are developers who do not want to pay their fair share.

Santa Clara Unified School District spent five years negotiating with developers to provide adequate funding for schools. They have rejected our offers that are equivalent to what other developments have paid in the past.

Don't be fooled by the argument that this tax on new developers will delay or stop development. This land is valuable and builders will always find a way to make a profit whatever they build. We believe that part of their investment should be in schools to support population growth.

As a result of Measure A, the tax on you, the existing resident, is only \$19 per year. For this you get new schools in your neighborhood, property values will increase substantially and traffic will be minimized. Measure A is good for local residents because it is the only way to ensure new school facilities in North San Jose. Otherwise, all students will be bused to crowded schools.

The School Board provides oversight and is accountable for spending funds for school construction wisely.

The City of San Jose failed to plan for schools, parks, retail and other community amenities when it planned for growth in North San Jose. Measure A is the first step in providing these amenities to residents.

Measure A is about developers paying their fair share.

/s/ Andrew Ratermann
President, SCUSD Board of Trustees

/s/ Jim Canova
Governing Board Member SCUSD