

MEASURE AA**COUNTY COUNSEL'S IMPARTIAL ANALYSIS
OF MEASURE AA**

Upon approval of two-thirds of the votes cast by voters in an election, California law permits a regional open space special district to issue bonds, secured by the levy of ad valorem taxes on property within a district, for the purpose of acquiring, constructing, or completing improvements, or for the purpose of acquiring land or other necessary or useful property as provided for in Article 3, Chapter 3 of Division 5 of the Public Resources Code, section 5500 *et seq.*

The Board of Directors (Board) of the Midpeninsula Regional Open Space District (District) proposes issuing general obligation bonds in an amount not to exceed \$300,000,000. As identified in the measure, the bond would be used to provide public access and acquire, restore and preserve open space throughout the District by carrying out the following Priority Actions: (1) improving hiking, biking and equestrian opportunities; (2) protecting and preserving redwoods, natural open spaces, critical habitats and the scenic beauty of the region and coastline; (3) restoring creeks to protect water quality; and (4) reducing forest fire risk. Specific Priority Actions by region within the District are set forth in the full text of the Measure in Exhibit A.

The District's best estimate of the tax rate to be levied to fund the proposed bond issue is \$1.00 per \$100,000 of assessed valuation during the fiscal year after the sale of the first series of bonds (expected to occur in 2015-2016). The District's best estimate of the tax rate to be levied to fund the proposed bond issue is \$2.90 per \$100,000 of assessed valuation during the fiscal year after the sale of the last series of bonds (expected to occur in 2044-2045). The District's best estimate of the highest tax rate that would be required to be levied to fund the bond issue is \$3.18 per \$100,000 per fiscal year of assessed valuation (expected to occur in 2034-2035).

An annual report will be prepared by the District accounting for the use of bond proceeds as authorized by the measure, and an independent citizen oversight committee will be formed to verify annual expenditures of bond proceeds.

Measure AA was placed on the ballot by the Board.

A "yes" vote is a vote to authorize the issuance and sale of the bonds in the amount of up to \$300,000,000 to be secured by the levy of ad valorem taxes on property located within the District.

A "no" vote is a vote not to authorize the issuance and sale of the bonds in the amount of up to \$300,000,000 to be secured by the levy of ad valorem taxes on property located within the District.

Orry P. Korb
County Counsel

By: /s/ Susan Swain
Lead Deputy County Counsel

COMPLETE TEXT OF MEASURE AA**ORDINANCE NO. 2014-02**

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT CALLING AN ELECTION AND ORDERING THE SUBMISSION OF A PROPOSITION FOR INCURRING BONDED INDEBTEDNESS NOT TO EXCEED \$300 MILLION FOR THE PURPOSE OF PROVIDING PUBLIC ACCESS AND ACQUIRING, RESTORING AND PRESERVING OPEN SPACE THROUGHOUT THE DISTRICT, TO THE QUALIFIED VOTERS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON JUNE 3, 2014

WHEREAS, on February 12, 2014, the Board of Directors of the Midpeninsula Regional Open Space District (the "District") adopted, by a unanimous vote of all five members of said Board of Directors present (two absent), a Resolution entitled "Determination that the Public Interest and Necessity Demand Providing Public Access, and Acquiring, Restoring and Preserving Open Space Throughout the District, with Financing Through the Issuance of General Obligation Bonds" (the "Resolution"); and

WHEREAS, in order to provide for the issuance by the District of its general obligation bonds to finance the costs of providing public access and acquiring, restoring and preserving open space throughout the District, it is necessary for this Board of Directors to pass an ordinance ordering the submission of the proposition of incurring bonded indebtedness for such purpose to the qualified voters of the District at an election; and

WHEREAS, a General Election for the District is to be held on Tuesday, June 3, 2014; and

WHEREAS, the Board of Directors desires to submit to the voters at said election the proposition of incurring bonded indebtedness as hereinafter set forth; and

WHEREAS, the Board of Directors desires to consolidate the District election with the General Election to be held in the District on June 3, 2014.

Now therefore, the Board of Directors of the Midpeninsula Regional Open Space District does ordain as follows:

SECTION 1. That a district election is hereby called and ordered to be held in the District on June 3, 2014, at which election there shall be submitted to the qualified voters the proposition set forth below:

SECTION 2. That said proposition shall appear on the ballot for said district election in the following form:

COMPLETE TEXT OF MEASURE AA - Continued

3. INDEPENDENT CITIZEN OVERSIGHT COMMITTEE

An Independent Citizen Oversight Committee will be formed to verify expenditures of bond proceeds. The Independent Citizen Oversight Committee will consist of seven at-large members, all of whom shall be District residents. The Citizen Oversight Committee will be selected by the Board and interviewed and approved in open session, and will be subject to the conflict of interest constraints of the California Political Reform Act.

The responsibilities of the Committee include:

- Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.
- Review District's Annual Audit and Annual Accountability report and present the Committee's findings to the Board at a public meeting.
- Review any proposed amendments to the Expenditure Plan.

TAX RATE STATEMENT

An election will be held in the Midpeninsula Regional Open Space District (the "District") on June 3, 2014, to authorize the sale of up to \$300 million in bonds of the District to provide public access and acquire, restore, and preserve open space throughout the District as described in the ballot measure. If the bonds are approved, the District expects to sell the bonds in several series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information contained in numbered paragraphs 1 - 3 below is provided in compliance with sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the *first* fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$1.00 per \$100,000 of assessed valuation in fiscal year 2015-16.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the *last* series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$2.90 per \$100,000 of assessed valuation in fiscal year 2044-45.

3. The best estimate of the *highest* tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$3.18 per \$100,000 of assessed valuation in fiscal year 2034-35.

Voters should note that the estimated tax rates are based on the estimated *ASSESSED VALUE* of taxable property on the respective County's official tax rolls, not on a 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 District's projections and estimates only, which are not binding upon the District. 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 District based on its needs for 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 District as determined by the respective County Assessor in the annual property value assessment process.

Dated: February 26, 2014.

/s/ Stephen E. Abbors
General Manager
Midpeninsula Regional Open Space District

ARGUMENT IN FAVOR OF MEASURE AA

Once our natural areas are gone, they're gone for good.

Protecting and conserving natural resources and open space, including our unique redwood forests and coastal lands, is important now and for future generations.

Measure AA opens new places to walk, hike, and enjoy wildlife and nature.

Measure AA protects forests of old trees, incredible coastal views, local creeks and streams, and other natural areas.

Measure AA expands public access and usability into more of our protected areas, while carefully managing to conserve and sustain them for generations to enjoy.

Measure AA protects our redwood forests: the original "giants" of our area.

Measure AA protects local creeks and streams, a vital part of local water resources.

Measure AA preserves open views and coastal lands, which are critical anchors of our high quality of life.

Measure AA preserves local farms and ranches that sustain our agricultural heritage.

Measure AA adds more trails, and helps connect existing networks, like the Bay Trail.

There's broad support for Measure AA.

Business and technology leaders recognize that our area's natural character makes it a great place to live and work. Teachers know it's critical to protect our environment for future generations. Advocates for working families and housing appreciate that Measure AA enhances our natural areas and improves open space access and trails for all, including the disabled.

Measure AA endorsements, as well as the complete Measure AA project list, can be found by visiting yesforopenspace.org.

Independent citizen oversight and annual audits will ensure that the funds are used as promised.

It's a rare opportunity when a small investment can make such a big difference. We must pass Measure AA now to help save natural areas that cannot be replaced.

ARGUMENT IN FAVOR OF MEASURE AA - Continued

Please join Peninsula Open Space Trust, community members and local leaders: vote yes on AA.

/s/ Anna G. Eshoo
Member of Congress

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

/s/ Karen Douglas
Chair, Council Of League Of Women Voters Of Santa Clara County

/s/ Margaret Abe-Koga
Mountain View City Councilmember

/s/ Diane Talbert
President, Sempervirens Fund Preserving Redwood Forests Since 1900

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE AA

Think about this for a moment: **this government agency claims it will require \$300,000,000 to turn an unused piece of land into an unused piece of land.**

For billions of years, Nature has traditionally performed this service for free; however, our local bureaucrats have found a way to make this freebie mind-blowingly expensive.

Where would this money go to then, if not to fulfill the District's mission statement of, "...making a preserve system of diverse and unparalleled beauty." you ask? Answer: **"Provide parking areas" and "Add welcome center"**. Seriously, that is what this money is for.

It is already illegal for the private sector to buy and develop anything on the Open Space District's property, so the rejection of this proposed bond (and its enormous cost) will continue to preserve this land for the future.

Ironically, if this measure passes, then animals' habitats will be torn from the ground to make way for construction crews and equipment.

Not only will the passage of this bond put the region into nearly a half-billion dollars in debt, but it also guarantees that wild and indigenous species will be selectively destroyed to make way for the government's contractors and builders. We are talking about years upon years of this type of activity, if this measure passes.

The people behind this bond-measure are supposed to be stewards of our green spaces; now they want to tear them up by handing out ridiculously lucrative contracts to the heavy-construction industry.

Visit: www.SVtaxpayers.org/2014-06-midpeninsula-regional-open-space-bond

/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ Edward Leo Wimmers
Chair, Libertarian Party of Santa Clara County

/s/ Harland Harrison
Chair, Libertarian Party of San Mateo County

ARGUMENT AGAINST MEASURE AA

Every local government entity probably would like to have the authority to borrow money (by selling bonds) for any number of current and future projects.

Keep in mind, however, that any borrowed money must be repaid - with interest. California "general obligation" bonds are guaranteed for repayment by the **accompanying authority to raise property taxes**.

Under the language of this measure, **there is no telling how the \$300 million will be used** (except generally to purchase and maintain open space areas as provided in its Section 3). The section refers to an "Expenditure Plan" containing "priority actions" with lots of possible projects; however, no project is assured.

Another concern is that this measure contains no limitation on when the bonds may be sold. This is important because the projected tax rate is based on current interest rates. Years from now, if interest rates go up, the bonds authorized by this measure could be sold and pay interest as high as state law allows (currently 12% per year). **The total cost of the borrowing could soar.**

Proponents should address the above-stated concerns and explain to voters:

- (1) just how the Open Space District has been spending its current budget of more than \$30 million per year,
- (2) how much money each of the many possible projects listed in the current "Expenditure Plan" would cost, and
- (3) how many of those projects could be completed for the \$300 million sought in the current bond measure.

Vote NO on Measure AA.

For more information, visit www.SVTaxpayers.org/2014-06-midpeninsula-regional-open-space-bond

/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ Edward Leo Wimmers
Chair, Libertarian Party of Santa Clara County

REBUTTAL TO ARGUMENT AGAINST MEASURE AA

The argument against Measure AA is the same one submitted against nearly every bond measure in our area. It's not specifically related to Measure AA.

Measure AA is for local conservation and environmental protection. Funds can't be taken by the State or used for any other purpose.

Independent citizen oversight and annual audits will ensure Measure AA funds are spent as promised.

Measure AA includes a specific Expenditure Plan describing exactly how funds will be spent. It's online at the Midpeninsula Regional Open Space District's website, and our campaign website: yesforopenspace.org.

Midpeninsula Regional Open Space District manages its budget efficiently, protecting more than 62,000 acres while leveraging significant outside funds. Regardless of future interest rates, the cost of Measure AA is limited to \$3.18 per \$100,000 of assessed value.

Protecting and conserving the Peninsula's remaining natural open space and redwood forests, while increasing local opportunities for walking, hiking and biking, is vital to our community and quality of life. It's the right thing to do for future generations.

Measure AA is urgently needed - and there is no other source of funding for these critical areas. Once our natural areas are gone, they are gone forever.

Please vote yes on Measure AA:

- Protect local redwood forests and remaining coastal lands
- Improve walking and hiking access for all, including the disabled, in protected areas and on local trail networks
- Protect local creeks and streams: the lifelines of our local water supply
- Protect local wildlife
- Protect scenic beauty and open space for future generations to enjoy.

/s/ Don Horsley
Supervisor, County of San Mateo

/s/ Maria Diaz-Slocum
Board President, Redwood City School District

/s/ MB Moulton
Executive Director, Housing Leadership Council Of San Mateo County

/s/ Kathleen Tyson
President, League of Women Voters of North & Central San Mateo County

/s/ Paul Fong
Assemblymember