

MEASURE A

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE A

The City of Los Altos is authorized by the laws of the State of California to issue general obligation bonds to finance the construction of certain municipal improvements. In accordance with these provisions, the City Council determined the necessity of such improvements and unanimously adopted an ordinance on July 28, 2015, calling this election and submitting this measure to a vote of the electors of the City.

This measure, if approved by two-thirds of the voters voting on the measure, would authorize the City to issue general obligation bonds in an amount up to \$65,000,000 in one or more series, and to spend the proceeds of such bonds for the purpose of financing the replacement of the Hillview Community Center with a new facility to provide recreation and activity space and meeting rooms; to meet current handicapped and earthquake safety codes; to build community pool facilities; to improve Hillview Park, open space and sports fields, and to pay certain costs of issuance of the bonds. The California Constitution limits the use of proceeds of general obligation bonds to the "acquisition or improvement of real property." Pursuant to the California Government Code, the City Council adopted accountability requirements relating to the bonds. The City will be required to: (1) keep all bond proceeds in a separate account, not commingled with any other funds, to be used exclusively for purposes authorized by the measure; and (2) file a report with the City Council no later than January 1, 2016, and at least once a year thereafter, showing the amount of bond proceeds collected and expended, and the status of the project to be financed from the proceeds of the bonds.

Principal and interest on the bonds would be paid from an annual tax levied upon the taxable property within the City in an amount sufficient to pay the principal of and interest on the bonds. The Tax Rate Statement of the City, which follows this analysis, reflects the City's best estimate of property tax levies which would be required to service the bonds, based upon currently available data and projections. The specific repayment terms of the bonds would be determined by resolution of the City Council at the time of their issuance.

California law provides that: (1) the City Council cannot sell bonds which would cause the total outstanding bonded indebtedness of the City to exceed 15% of the assessed value of all real and personal property in the City; and (2) the annual interest rate on any bond may not exceed 8%.

Respectfully submitted,

/s/ Jolie Houston
City Attorney, City of Los Altos

COMPLETE TEXT OF MEASURE A

ORDINANCE NO. 2015-410

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS ORDERING THE SUBMISSION OF A PROPOSITION OF INCURRING BONDED DEBT TO THE QUALIFIED VOTERS OF THE CITY OF LOS ALTOS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2015, FOR THE PURPOSE OF THE CONSTRUCTION AND IMPROVEMENT OF HILLVIEW COMMUNITY CENTER AND PARK

WHEREAS, on July 14, 2015, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled "Resolution of the City Council of the City of Los Altos Determining that the Public Interest and Necessity Demand the Development of Certain Municipal Improvements and Their Financing Through the Issuance of General Obligation Bonds for the Hillview Community Center and Park" (the "Resolution of Necessity"); and

WHEREAS, in order to provide for the issuance by the City of its general obligation bonds to finance the improvements described in the Resolution of Necessity, it is necessary for the City 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 a municipal election; and

WHEREAS, the City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 3, 2015, and to consolidate the bond election with other elections held within the City on that date; and

WHEREAS, the City intends to issue its general obligation bonds to finance the development of the Los Altos Community Center Master Plan Update, now referred to as the Hillview Community Center and Park project, which was reviewed under the California Environmental Quality Act ("CEQA") and an Environmental Impact Report ("EIR") was prepared and certified by the City Council on March 9, 2010 ("2010 EIR"); and

WHEREAS, based on the proposed Hillview Community Center and Park project description, knowledge of the project site, the environmental review previously completed, and the following analysis, the City determined that the proposed Hillview Community Center and Park project represents an insubstantial change in the project description as evaluated in the 2010 EIR and would not result in any new significant impacts not previously disclosed in the 2010 EIR, nor would it result in a substantial increase in the magnitude of any significant environmental impact previously identified in the 2010 EIR. For these reasons, an Addendum to the certified 2010 EIR was prepared in July 2015 and a supplemental or subsequent EIR or Initial Study/Mitigated Negative Declaration is not required for the proposed Hillview Community Center and Park project.

NOW THEREFORE, the City Council of the City of Los Altos does hereby ordain as follows:

SECTION 1. CALL FOR ELECTION. The City Council hereby orders that there be submitted to the qualified voters of the City a proposition on incurring a bonded debt (the "Bonds") for the purpose set forth in this Ordinance, at the regular election to be held on November 3, 2015.

COMPLETE TEXT OF MEASURE A-Continued

SECTION 2. BALLOT PROPOSITION. The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 3, 2015, a proposition on issuing the Bonds in substantially the following form:

HILLVIEW COMMUNITY CENTER AND PARK MEASURE

"To replace the nearly 70-year old Hillview Community Center with a new facility to provide needed recreation and activity space and meeting rooms; to meet current handicapped and earthquake safety codes; to build community pool facilities; and to improve Hillview Park, open space and sports fields, shall the City of Los Altos issue \$65,000,000 of bonds at the lowest available legal interest rates with all funds staying in Los Altos to benefit local residents, seniors and children?"

SECTION 3. OBJECT AND PURPOSE OF BONDS. The object and specific single purpose of issuing the Bonds is the construction and improvement of certain public park and recreation facilities (the "Hillview Community Center and Park"), and the proceeds of the Bonds may only be applied to the specific purposes set forth in the ballot proposition.

SECTION 4. ESTIMATED COST OF HILLVIEW COMMUNITY CENTER AND PARK. The estimated cost of the Hillview Community Center and Park is \$65,000,000. The estimated cost includes legal or other fees, and other costs and expenses, which are incidental to or connected with the authorization, issuance and sale of the Bonds.

SECTION 5. PRINCIPAL AMOUNT OF BONDS. The amount of the principal of the Bonds shall not exceed \$65,000,000.

SECTION 6. MAXIMUM INTEREST RATE. The maximum rate of interest to be paid on the Bonds shall be 8% per annum. Said interest shall be payable semiannually except that interest for the first year after the date of the Bonds may be made payable at the end of said year.

SECTION 7. ISSUANCE AND SALE OF BONDS. The City proposes to construct and develop the Hillview Community Center and Park and to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, or Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 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 will 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 the Bonds are to be equally and ratably secured, without priority, by the taxing power of the City.

SECTION 8. CONSOLIDATION; MANNER OF CONDUCTING ELECTION. A bond election now is hereby called for November 3, 2015, and is hereby ordered consolidated with any other election to be held within the City on that date. The election shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the election as

COMPLETE TEXT OF MEASURE A-Continued

specified herein. The Board of Supervisors of Santa Clara County and the Santa Clara County Clerk, Elections Division, are hereby requested to order the consolidation of the municipal election hereby called with any other election to be held within the City on said date. The City Council hereby adopts the provisions of subdivision (a) of Section 9285 of the California Elections Code.

SECTION 9. 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 10. ACCOUNTABILITY REQUIREMENTS. In accordance with Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds:

(a) A separate account shall be created and held by the City, into which the proceeds of the Bonds are deposited.

(b) The chief fiscal officer of the City shall file a report with the City Council no later than January 1, 2016, and at least once a year thereafter, showing the amount of Bond proceeds collected and expended, and the status of the project to be financed from the proceeds of the Bonds.

SECTION 11. BALLOT ARGUMENTS; TAX RATE STATEMENT. Any and all members of the City Council are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The City Manager is hereby authorized to execute any Tax Rate Statement to be included as part of the official ballot measure.

SECTION 12. IMPARTIAL ANALYSIS. Pursuant to Section 9280 of the California Elections Code, the City Clerk, or his designee, is hereby directed to submit a copy of this ordinance to the City Attorney and the City Attorney, or her designee, is hereby authorized and directed to prepare an impartial analysis of the ballot proposition showing the effect of the ballot proposition on the existing law and the operation of the ballot proposition. Such analysis shall not exceed 500 words in length and shall comply in all respects with applicable provisions of the California Elections Code.

SECTION 13. OFFICIAL ACTIONS. The City Manager, the Administrative Services Director and the City Clerk, or any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the bond measure on the ballot.

SECTION 14. CONSTITUTIONALITY. If any section, subsection, sentence, clause or phrase of this code is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this code.

SECTION 15. PUBLICATION. This Ordinance shall be published once a day for at least 7 days in a newspaper published at least 6 days a week in the City, or once a week for 2 weeks in a newspaper published less than 6 days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance.

COMPLETE TEXT OF MEASURE A-Continued

SECTION 16. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its adoption by two-thirds of all members of the City Council of the City.

The foregoing ordinance was duly and properly introduced at a meeting of the City Council of the City of Los Altos held on July 14, 2015 and was thereafter, at a regular meeting held on July 28, 2015 passed and adopted by the following vote:

AYES: BRUINS, MORDO, PEPPER, PROCHNOW, SATTERLEE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

/s/ Janis C. Pepper
Mayor

Attest:

/s/ Jon Maginot
CMC, City Clerk

TAX RATE STATEMENT

Tax Rate Statement In Connection With City of Los Altos Hillview Community Center and Park Measure A

An election will be held in the City of Los Altos (the "City") on November 3, 2015 on the question of issuing bonds in the principal amount of \$65,000,000 to finance improvements to the Hillview Community Center and Park and build community pool facilities as described in the bond measure. If the bonds are approved, the City expects to sell the bonds in two series of bonds. Principal and interest on the bonds will be paid from taxes levied on taxable property in the City. The following tax rate information is given to comply with Sections 9400-9404 of the Elections Code of the State of California.

Based on estimated assessed valuations available at the time of filing of this statement:

1. The best estimate of the tax rate that would be required to be levied to fund the 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 \$0.0039 per \$100 (\$3.92 per \$100,000) of assessed valuation in fiscal year 2016/17.

2. The best estimate of the tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.0331 per \$100 (\$33.11 per \$100,000) of assessed valuation in fiscal year 2018/19.

3. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$0.0331 per \$100 (\$33.11 per \$100,000) of assessed valuation in fiscal year 2018/19.

4. The best estimate of the average annual tax rate which would be required to be levied to fund the bond issue over the entire life of the bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is \$0.0194 per \$100 (\$19.36 per \$100,000) of assessed valuation. The final fiscal year in which a tax is anticipated to be collected is 2046/47.

Voters should note that the estimated tax rates are based on the *assessed value* of taxable property on the County's official tax rolls, *not* on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone payment of taxes. Property owners should consult their own property tax bills and the County Assessor to determine their property's assessed value and any applicable tax exemptions.

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 estimates are based upon the City's projections and are not binding upon the City. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on the need for construction funds and

TAX RATE STATEMENT-Continued

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 County Assessor in the annual assessment and the equalization process.

Dated: July 31, 2015

/s/ Marcia Somers
City Manager
City of Los Altos

ARGUMENT IN FAVOR OF MEASURE A

Los Altos is more than an address; it's a community. We work together to make improvements that we and future generations will enjoy.

Hillview Community Center and Park, and the surrounding sports fields and open space are among Los Altos' most used facilities. Nearly 70 years old, the Community Center no longer meets the recreational program needs of Los Altos residents, nor does it meet current handicapped accessibility or earthquake safety codes.

After an intensive one-year participatory process, residents identified the highest priority facility needs. Measure A addresses these priorities and includes funding to:

- Replace the existing Hillview Community Center to provide needed and improved recreation and activity space and meeting rooms for the entire community
- Provide dedicated facilities for the senior center
- Build self-supporting community pool facilities for swim lessons and aquatic fitness programs
- Improve and expand Hillview Park, open space, and sports fields

To fund these projects, the Council is asking Los Altos residents to approve a general obligation bond. Measure A is part of a responsible financial plan, which includes monies set aside from the City's General Fund.

The City Council's goal in bringing Measure A to Los Altos residents now is to take advantage of historically low interest rates, and lower construction costs.

All funds from Measure A will stay in Los Altos to benefit local residents, seniors, and children.

Measure A is supported by a broad cross section of Los Altos residents including seniors, parents, community leaders, business leaders, youth sports organizations and neighborhood groups.

Let's continue to make Los Altos a great place to live and raise a family. Please join us in voting YES on Measure A to improve Hillview Community Center and Park.

/s/ Janis C. Pepper
Mayor, City of Los Altos

/s/ Jeannie Bruins
Mayor Pro Tem, City of Los Altos

/s/ Sangeeth Peruri
Board of Trustees, Los Altos School District

/s/ Roy E. Lave
Founding Chair & Executive Director Emeritus, Los Altos Community Foundation

/s/ Anabel Pelham
Professor, Gerontology

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE A	ARGUMENT AGAINST MEASURE A
<p>Hillview Community Center needs replacement, but NOT UNWARRANTED EXPANSION and ADDED COSTLY FACILITIES not understood or budgeted.</p> <p>Nowhere does the Argument for Measure A mention costs. The plan estimates \$87 MILLION for construction only—paid by a citywide \$65 MILLION 30-year variable property tax increase, EXCEEDING \$100 MILLION with interest, and \$25 MILLION drained from City Reserves. Further, this annual tax is not fixed, and doesn't exempt seniors and those on fixed incomes.</p> <p>Measure A nearly TRIPLES THE SPACE CURRENTLY USED BY THE COMMUNITY CENTER without studies, data or analysis to validate the need for a 55,600 square foot center rented out to cover unidentified operating costs.</p> <p>Measure A adds a supposed "self-supporting community pool facility" with a 3-pool complex locking in competitive teams and training instead of recreational use. Residents pay taxes to build the complex, then pay again to use it. This facility doesn't include plans for insurance, operating costs, maintenance, or repairs to make it "self-supporting". Other cities found operating expenses for pools unlikely to breakeven requiring taxpayer subsidizing.</p> <p>Measure A proposes to expand Hillview Park and Open Space, yet no provisions for non-rented, public use green space are in this plan.</p> <p>Measure A is NOT SUPPORTED by a broad cross section of residents because it is committed to wrong priorities, lacks critical analysis, ignores City funded surveys, and minimizes true costs.</p> <p>Measure A is not in keeping with a right-sized, financially responsible plan.</p> <p>Your Money, Wrong Plan.</p> <p>Vote NO on Measure A.</p> <p>/s/ Randall Hull Los Altos Resident/Business Owner</p> <p>/s/ William C. White Los Altos Resident/Software Engineer</p> <p>/s/ Caroline Rumpitz Los Altos Resident/Homemaker</p> <p>/s/ Carol Frattini Los Altos Resident/Systems Analyst</p> <p>/s/ Mark Goines Los Altos Resident/Venture Capitalist</p>	<p>THIS \$87 MILLION COMMUNITY CENTER PROJECT DOESN'T ADD UP</p> <p>TOO EXPENSIVE: UNKNOWN COSTS</p> <p>Think about the real cost to homeowners of a \$65 MILLION debt that when paid back EXCEEDS \$100 MILLION, including interest. PLUS—\$25 MILLION OF CITY RESERVES that will forego funding other city services, emergencies or citywide needs. PLUS—UNKNOWN OPERATING COSTS (maintenance, utilities, insurance) not included in this proposal.</p> <p>PROPERTY TAX RATES ARE NOT FIXED, and can increase beyond the "average" "estimated" tax based on interest rates and other factors over 30 years. Los Altos Tax Rate Statement for this Measure already estimate a higher \$33.11 per \$100,000 of assessed value in 2018/2019.</p> <p>SIZED TOO BIG: SCOPED FOR RENTAL FACILITIES</p> <p>The proposed 55,600 square foot COMMUNITY CENTER IS MORE THAN THREE TIMES LARGER than comparable cities like Saratoga; and the oversized Multi-Pool Swim Complex prioritizes competitive team use and training over recreational swim. Expanded community facilities sized for conferences, unknown programs and rentals—with no understanding of operating costs, staffing, maintenance—LEAD TO UNADDRESSED REVENUE EXPECTATIONS AND TRAFFIC on Los Altos thoroughfares and neighborhoods.</p> <p>WRONG PRIORITIES: LITTLE VALIDATED SUPPORT</p> <p>The Community Center and Multiple Swimming Pools are fixed to Hillview Park location, and DO NOT INCLUDE SERVICES LIKE LIBRARY, PUBLIC SAFETY, or greenspace and Downtown connections that City research confirm ARE HIGHER PRIORITIES. Existing Park and Open Space are ELIMINATED from current conceptual plans, to be "considered" later in undetermined designs. NOT A PRIORITY.</p> <p>Unsupported priorities like the MULTI-POOL SWIM COMPLEX IS LOCKED TO THIS COMMUNITY CENTER AND MEASURE. In City funded 2012 Godbe Research poll, Los Altos residents ranked "building a community pool facility" DEAD LAST and NOT IMPORTANT. And WITHOUT quantitative utilization studies or visitor analysis on the current Community Center, how can validated priorities be made for future facilities?</p> <p>LOS ALTOS DESERVES BETTER. VOTE NO.</p> <p>/s/ William B. Lonergan Los Altos Resident/CEO</p> <p>/s/ M. M. Lonergan Los Altos Resident/Business Executive</p> <p>/s/ Catherine Nunes Los Altos Resident/Downtown Business Owner</p> <p>/s/ Wallace Palmer Los Altos Resident/Research Consultant</p> <p>/s/ Jim Jolly Los Altos Resident/Retired Business Executive</p>

REBUTTAL TO ARGUMENT AGAINST MEASURE A

Even the opponents of Measure A agree that Hillview Community Center has reached the end of its useful life. Without Measure A the City would incur:

- High ongoing maintenance costs
- Expensive retrofits for handicapped accessibility and earthquake safety compliance
- High ongoing energy costs

With Measure A the whole community, from toddlers to seniors, would enjoy:

- A new sustainably built, energy-efficient, multi-use facility for recreational, social, and educational programs
- Long needed self-supporting community pool facilities to allow year-round fitness classes for seniors and swim programs for all ages
- Improvements to athletic fields
- Expansion of park and open space

Opponents take issue with details of a plan that has yet to be finalized. The City wisely chose to develop a broad conceptual plan rather than spend money on detailed plans prior to voter approval. Final plans, with significant community input, will be developed during the design phase after Measure A is approved. Furthermore, it is the Council's intent to maximize green space by undergrounding much of the parking. The City has committed to combine existing set-aside funds with Measure A funds to support this improvement.

The project is neither gold-plated nor over-sized, and provides facilities that benefit all Los Altos residents. The average cost for Measure A is \$19.36 per \$100,000 of assessed (not market) value. If the project can be built for a lower cost, the amount will be less.

Please vote YES on Measure A for today's seniors, children, parents and residents, and for future generations to come.

/s/ David Reeder

Former Mayor, City of Los Altos/El Camino Hospital Board of Directors

/s/ Susan Russell

Resident/Los Altos Senior Commission Member

/s/ Susan Sweeley

Trustee, MVLA High School District, Board of Education

/s/ William J. James

Oak Avenue Elementary School Parent