

MEASURE O

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE O

Measure O was placed on the ballot by the Campbell City Council. If the measure is approved by two-thirds of the electors voting on it, the City would be authorized to issue up to \$50,000,000 in general obligation bonds for constructing a new police building and an improved library. The measure would also authorize the bond funds to be used to renovate the existing police building for other City purposes. Currently, the Police Department is housed in a portion of City Hall and a temporary, modular facility. The City Hall was constructed in 1971; and neither the City Hall nor the modular facility meet current earthquake safety standards for essential facilities, such as police stations. The library is about 43 years old, and experiences building system failures, including to the elevator, heating and air conditioning, plumbing, electrical, and sewer systems. Neither the Police Department modular facility nor library meet current State mandated accessibility standards.

The measure authorizes the bond proceeds to be spent for improvements to the police and library facilities, including:

- A new, accessible police operations building that would remain operational during a disaster, would utilize up-to-date crime fighting technology, and be able to adapt to future needs;
- An energy-efficient library that meets earthquake and fire codes, with space for collaboration, senior reading, after-school homework programs, children's story times and a children's collection, summer reading programs, and public access computers and computer lab, ensuring access for senior and disabled residents.

The estimated cost for these improvements is \$50,000,000. The interest rates on the bonds would be capped at a maximum of 12%, but the prevailing market rates could be less. The bonds would be secured by ad valorem taxes levied on real property in Campbell. The City estimates that the taxes would be levied for a period of approximately thirty years, at an average rate of \$19 for every \$100,000 of the assessed valuation of all property to be taxed. The actual rate will vary somewhat over the duration of the taxation period, and the best estimate of the highest tax rate to be levied is \$27.33 per \$100,000 of the assessed valuation of all property to be taxed. The proceeds of the bonds will be held in a separate account solely for financing the authorized improvements. The Finance Director shall file a report with the City Council at least annually showing the amount of bond proceeds collected and expended, and the status of the improvements. The City Council shall establish and appoint members to an oversight committee, which shall have responsibility for reviewing and reporting on the expenditure of the proceeds of the bonds.

The above statement is an impartial analysis of Measure O. The full text of Ordinance 2235 concerning the measure is to be printed in the ballot materials. If you desire a copy of the full measure, please call the elections official's office at (408) 866-2117 and a copy will be mailed at no cost to you.

/s/ William R. Seligmann
City Attorney of Campbell

COMPLETE TEXT OF MEASURE O

ORDINANCE NO. 2235

ORDINANCE OF THE CITY OF CAMPBELL ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF CAMPBELL AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 6, 2018, FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS

WHEREAS, the Campbell Police Department 9-1-1 Dispatch and Emergency Response Center are housed in a portion of Campbell City Hall that does not meet current seismic standards and lacks the space to provide essential emergency services; and

WHEREAS, Campbell police officers are currently working out of a modular/temporary facility that does not meet current seismic, operational, or accessibility standards, regularly experiences building system failures due to the age and condition of existing infrastructure and building systems, including HVAC, plumbing, electrical, and sewer systems, and does not contain a restroom facility; and

WHEREAS, providing a state-of-the-art police operations center will allow police officers to respond quickly and efficiently in the event of a major earthquake or other disaster and utilize modern policing technology; and

WHEREAS, the Campbell Library was built over 40 years ago, does not meet current seismic, operational, or accessibility standards, regularly experiences building system failures due to the age and condition of existing infrastructure and building systems, including HVAC, plumbing, electrical, and sewer systems, and an elevator system that is subject to an increasing amount of time out of service; and

WHEREAS, the current configuration of the Campbell Library facility restricts and limits the efficient use of space to provide library services to the community, including children and senior programs, space for community programming, and computer access; and

WHEREAS, providing a safer and more energy efficient library facility would include a new technology center, improved access for senior and disabled residents, increased space and functionality to provide additional services, and potentially extend hours of service to the Campbell community; and

WHEREAS, on July 17, 2018, the City Council adopted, by a two-thirds vote of all its members, a resolution (the "Resolution") entitled "Resolution of the City Council of the City of Campbell Determining that the Public Interest and Necessity Demand the Acquisition, Construction and Improvement of Certain Municipal Improvement Projects, and Their Financing Through the Issuance of General Obligation Bonds," pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the cost of acquisition, construction and improvement of municipal improvements (the "Improvements"); and

WHEREAS, in order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, it is necessary for the City Council to adopt an ordinance ordering the submission of the proposition of incurring bonded indebtedness for such

COMPLETE TEXT OF MEASURE O-Continued

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 6, 2018, and to consolidate the bond election with other elections held within the City on that date;

NOW, THEREFORE, IT IS ORDAINED by the City Council of the City of Campbell 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 bonded indebtedness (the "Bonds") for the purposes set forth in this Ordinance, at the regular election to be held on November 6, 2018.

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 6, 2018, a proposition on issuing the Bonds in substantially the following form:

To provide a police emergency operations center that is fully operational during a disaster and an innovative library in seismically safe, accessible, and energy-efficient facilities meeting current safety codes, shall the City of Campbell's measure to issue \$50,000,000 in general obligation bonds with projected levies of \$0.019 per \$100 (\$19 per \$100,000) of assessed value, generating an estimated average of \$3,025,000 annually to repay bonds through maturity, with citizen oversight and all funds spent locally, be adopted?

Section 3. Object and Purpose of Bonds. The object and purpose of issuing the Bonds is to finance the costs of the Improvements.

The Improvements shall include, without limitation:

- A police station and a library that are innovative, seismically safe and accessible;
- A new police operations building and 9-1-1 emergency dispatch center that would remain fully operational during a disaster, would be seismically safe, would utilize up-to-date crime fighting technology, and be able to adapt to future needs resulting from new technology and operational standards;
- A safe, energy-efficient library that meets earthquake and fire codes, facilitating the collaborative and efficient use of space, which may result in longer operating hours, with space for senior reading, after-school homework programs, children's story times and a children's collection, summer reading programs, and public access computers and computer lab, ensuring access for senior and disabled residents;
- Renovate and make seismically safe existing police building for other City purposes.

Each of the Improvements listed above includes all work necessary and incidental to the specific projects described above. Examples of such costs include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation,

COMPLETE TEXT OF MEASURE O-Continued

utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; interim facilities for municipal functions, including modular facilities; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes; access requirements of the Americans with Disabilities Act; costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law. The final cost of each Improvement will be determined as plans are finalized, construction bids are awarded, and projects are completed, and therefore there is no guarantee that each of the listed Improvements will be completed.

Section 4. Estimated Cost of Improvements. The estimated cost of the Improvements is \$50,000,000. The estimated cost includes legal or other fees, the costs of printing the Bonds, and other costs and expenses 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 \$50,000,000.

Section 6. Maximum Interest Rate. The maximum rate of interest to be paid on the Bonds shall be 12% per annum, though the City expects to issue the bonds at prevailing market rates. 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 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 ad valorem taxes levied and collected in the manner prescribed by laws of the State of California. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

Section 8. Manner of Conducting Election. The election held on November 6, 2018 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 with which it is consolidated, as specified herein.

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.

COMPLETE TEXT OF MEASURE O-Continued

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 and applied solely for the purpose of financing the Improvements.
- (b) The Finance Director of the City shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

Section 11. Establishment of Oversight Committee. In the event the ballot proposition is passed by two-thirds of all qualified voters voting on the proposition, the City Council shall establish and appoint members to an oversight committee, which shall have responsibility for reviewing and reporting on the expenditure of the proceeds of the Bonds.

Section 12. Official Actions. The Mayor, the City Manager, the Finance Director, the City Clerk, and 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 13. Publication of Ordinance. This Ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six 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.

Section 14. Projections. The City Council hereby finds that the estimates and projections contained in the Tax Rate Statement and in the measure have been made based on currently available information, but depend on a number of variables which are subject to variation. Such estimates and projections have been made in good faith, and are not binding or intended to be limitations on the terms of the bonds.

Section 15. Effective Date. This Ordinance shall become effective immediately upon its adoption by two-thirds vote of all the members of this City Council.

I, Wendy Wood, hereby certify that the foregoing Ordinance No. 2235 was introduced on July 17, 2018, and adopted at a regular meeting of the Campbell City Council on July 31, 2018, by the following vote:

AYES: Councilmembers: Gibbons, Landry, Cristina, Waterman

NOES: Councilmembers: None

ABSENT: Councilmembers: None

RECUSED: Councilmembers: Resnikoff

APPROVED: Rich Waterman, Vice Mayor

ATTEST: Wendy Wood, City Clerk

TAX RATE STATEMENT

An election will be held in the City of Campbell (the "City") on November 6, 2018, to authorize the sale of up to \$50 million in bonds of the City to finance the specific projects listed in the bond measure. If such bonds are authorized, the City expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable solely from the proceeds of ad valorem tax levies made upon the taxable property in the City. The following information is provided in compliance with sections 9400-9404 of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the City, and other demonstrable factors.

Based upon the foregoing and projections of the City's assessed valuation:

1. The best estimate of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement is \$0.019 per \$100 (or \$19 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is 2050-51.

2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, based on a projection of assessed valuations available at the time of filing this statement is \$0.0273 per \$100 (or \$27.33 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the first fiscal year in which the highest tax rate will apply is 2022-23.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$90,500,000.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the City or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on Santa Clara 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. 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 projections and estimates only, which amounts are not maximum amounts or durations and are not binding upon the City. The actual debt service amounts, 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 City based on need 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

TAX RATE STATEMENT-Continued

amount and value of taxable property within the City as determined by the Santa Clara County assessor in the annual assessment and the equalization process.

/s/ Jesse Takahashi
Finance Director, City of Campbell

ARGUMENT IN FAVOR OF MEASURE O

Built over 40 years ago, Campbell's Library, Police Department, and City Hall buildings urgently need upgrading to allow the City to continue to safely provide the high quality services our residents deserve. Measure O will provide a new Police Emergency Operations and 911 Center and an innovative Library that will be accessible, energy-efficient and comply with current safety codes.

Our Police Department is working in portable buildings that do not meet current seismic and operational standards and do not provide modern policing technologies necessary to ensure public safety. These facilities are overcrowded and have no bathrooms. Measure O will provide:

- State-of-the-art police operations and 911 facility that will remain fully functional in the event of a major earthquake or other disaster;
- Infrastructure for advanced crime fighting technology;
- More space for vital police functions, including evidence processing, victim assistance, and emergency equipment storage.

Campbell's library building is the oldest in the County. The Library is in dilapidated condition, has inadequate space for book collections, computer stations, seating and meeting rooms. Measure O will provide:

- A safe, energy-efficient library that meets current safety codes for earthquakes and fires, and offers accessibility to people with disabilities;
- Collaborative and efficient use of space, which may result in longer operating hours and include flexible spaces for senior reading, after-school programs and children's story times;
- Infrastructure for cutting-edge technology and public computers with high-speed internet.

Measure O will establish independent citizen oversight and annual financial audits to ensure all funds are spend as promised. All of the funds generated by Measure O will be spent here in Campbell and none of the funds can be taken by the State.

Vote YES on Measure O, to provide earthquake safe, accessible, energy-efficient facilities for the benefit of all Campbell residents.

/s/ Rich Waterman
Vice Mayor, Campbell City Council

/s/ Dave Livingston
President Campbell Police Officers Association

/s/ Claire Kotowski
Secretary, Campbell Veterans Memorial Foundation

/s/ Mary Danziger
Treasurer, Friends of Campbell Library

/s/ Dan Furtado
Former Mayor, City of Campbell

NO ARGUMENT AGAINST MEASURE O WAS SUBMITTED