

## MEASURE T

### CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE T

Measure T, the "Disaster Preparedness, Public Safety, and Infrastructure Bond", is a bond measure placed on the ballot by the San Jose City Council. If approved, Measure T would authorize the City to issue up to \$650,000,000 in general obligation municipal bonds (the "Bonds") to fund the following projects:

- Upgrade of 911 communications, police, fire and paramedic facilities to improve emergency and disaster response;
- Repair of deteriorating bridges vulnerable to damage in an earthquake;
- Repaving local and neighborhood streets and potholes in the worst condition;
- Preventing flooding and water quality contamination, including the acquisition of open space in Coyote Valley for these purposes; and
- Repair or replacement of critical infrastructure that is likely to reduce long-term spending on operations and maintenance.

Bond funds could only be used to pay for the costs of the improvements and land acquisition for the projects described in Measure T, and costs of issuing the Bonds. Measure T also requires that at least \$300,000,000 in Bonds (assuming \$650,000,000 in Bonds are issued) be issued for repaving local and neighborhood streets and potholes in the worst condition.

California law authorizes cities to issue general obligation bonds to finance land acquisition or improvements to land, subject to certain limitations. State law and the San Jose Municipal Code provide, for example, that a measure authorizing such bonds must be approved by at least two-thirds of the voters voting on it. If Measure T is approved, an additional "ad valorem" property tax would be levied annually on all taxable property within the City to pay the principal and interest due on the Bonds. "Ad valorem" means according to value. Until the Bonds are repaid, an ad valorem tax based on the assessed value of real property and improvements would be levied on all taxable property within San Jose. Once the Bonds are repaid, this annual tax will terminate.

The Tax Rate Statement in the Voter Information Guide reflects the City's estimate of the additional ad valorem property tax levy that would be required to repay the Bonds based on currently available data and projections. The actual tax levied could be more or less than the City's estimate.

Measure T imposes certain accountability measures, including:

- Bond funds would be deposited in one or more separate accounts.
- A separate annual audit of the Bond funds would be conducted.
- The Director of Finance would annually file a public report with the City Council, describing for the prior fiscal year: the amount of Bonds issued and expended, the amount of taxes collected and the status of the projects.

### CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE T-Continued

- The City Council would appoint a Community Oversight Committee comprised of City residents to provide oversight of the Bonds' expenditure. The City Council would determine the committee's size, composition and specific responsibilities prior to the issuance of any Bonds.

A "Yes" vote would approve San Jose's issuance of the Bonds.

A "No" vote would not approve San Jose's issuance of the Bonds.

/s/ Richard Doyle

City Attorney, City of San Jose

**The above statement is an impartial analysis of Measure T. If you would like to read the full text of the measure, see <http://www.sanjoseca.gov/index.aspx?nid=5694> or call 408-535-1260 and a copy will be sent at no cost to you.**

## TAX RATE STATEMENT

An election will be held in the City of San Jose (the "City") on November 6, 2018, to authorize the sale of up to \$650 million in general obligation bonds of the City to finance the projects identified in the measure. If the bonds are authorized, the City expects to sell the bonds in several series. Principal and interest on the bonds will be payable from the proceeds of 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.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bonds issued over the entire duration of the bond debt service, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 1.07 cents per \$100 (\$10.69 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 fiscal year 2056-57.

2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bonds issued, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or projection based on experience within the same jurisdiction or other demonstrable factors is 1.84 cents per \$100 (\$18.41 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the year in which the highest tax rate will apply is anticipated to be fiscal year 2027-28.

3. The best estimate from official sources 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 approximately \$1.300 billion.

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. 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 City's projections and estimates only, which are not binding upon the City. 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 City based on the need for construction 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 City as determined by the Santa Clara County Assessor in the annual assessment and the equalization process.

Dated: August 10, 2018

APPROVED BY THE SAN JOSE CITY COUNCIL

## ARGUMENT IN FAVOR OF MEASURE T

Measure T will rebuild San Jose's vital infrastructure to **make us safer**.

How will Measure T make San Jose safer? Decades of underinvestment in deteriorating streets, bridges, and critical public safety facilities undermine our daily emergency response, and make us more vulnerable to inevitable earthquakes and floods. According to San Jose Police Chief Eddie Garcia, "We're successfully adding more police officers and firefighters, but we must **upgrade our 911 communications facilities to improve fire, police, and paramedic response to emergencies**, rebuild police training facilities and crumbling fire stations, and **upgrade our emergency operations center to better coordinate our response**."

In addition to these improvements, Measure T prepares us for floods, earthquakes, and other disasters by:

- **replacing deteriorating, earthquake-vulnerable bridges;**
- **restoring safe locations for emergency food and shelter for displaced families;**
- **rebuilding parts of our aging, 70-year-old storm sewer system**, including 32,000 storm drains and 1,100 miles of pipeline that need upgrades **to prevent flooding our neighborhoods, and avoid polluting our creeks and Bay;**
- **reducing flooding by permanently preserving natural open space that absorbs water during heavy rains, and protects groundwater supplies from contamination, and reduces our vulnerability to wildfires.**

Finally, Measure T makes our daily driving safer, **by fixing potholes** and repaving our deteriorating roads that cause accidents. By investing today in **repairing those neighborhood streets in the worst condition citywide**, Measure T will also save taxpayers from the effect of neglecting maintenance on ballooning road repair costs, and from the \$700 in auto repairs and gas that bad roads cost drivers annually.

Measure T will be subject to independent audits, citizens' oversight, and full public review of all spending to ensure that every dollar is spent making San Jose safer. **A unanimous San Jose City Council and community leaders citywide to urge you to vote "Yes" on Measure T.**

Learn more at [SaferSanJose.org](http://SaferSanJose.org)

/s/ Sam Liccardo  
Mayor, City of San Jose

/s/ Mary Collins  
President, League of Women Voters

/s/ Ruben Torres  
Former Fire Chief, City of San Jose

/s/ Chuck Reed  
Former Mayor, City of San Jose

/s/ Dung (June) Tran  
Business Owner

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE T

San Jose is putting forward two ballot measures: both are tax increases.

If both measures pass the **median priced home will pay \$212 a year.**

The largest is for \$650 million that covers a wide variety of uses such as parks, public safety, roads, fixing other city infrastructure, and money to buy land in coyote valley.

The last time SJ voters passed a capital bond increase the voters were promised specific projects. However they were never built. For example:

- Fire Station 37 that would serve Willow Glen and Cambrian was never built.
- The Soccer complex was never built.
- The police substation in South San Jose was built, however has never been utilized as a police substation.

Measure T has no legal commitments to how much would be spent on any specific project.

They could utilize \$100,000 of the \$650,000,000 to pave a road and that is all that would ever be required to spend on roads. **There is no minimum or maximum.**

We already pay high taxes. The city is benefiting from sky high real estate prices and the corresponding property taxes. However our tax revenue is being devoured by rising pension costs. This tax increases is just another way of funding escalating pension costs.

**While the bond is described as \$650 million, it's more likely to cost you \$1.1 billion.** Bonds, like home mortgages, have to be paid back with interest...lots and lots of interest over 25-30 years.

Vote NO on Measure T.

For more information: [www.SVTaxpayers.org/2018-measure-t](http://www.SVTaxpayers.org/2018-measure-t)

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

/s/ Jennifer Imhoff  
Chair, Libertarian Party of Santa Clara County

## ARGUMENT AGAINST MEASURE T

### Shouldn't you have the right to work where you pay taxes?

Most California cities do not force their construction contractors to sign union agreements. But the City of San Jose will require contractors to sign a "Project Labor Agreement" (PLA) with unions to work on most infrastructure projects funded by bonds.

For years, the City of San Jose operated with a construction bidding policy that ensured a fair playing field regardless of labor affiliation and delivered quality workmanship our community could count on.

Unfortunately, that ended in 2018 when the San Jose City Council voted to prevent a majority of local workers from building their community.

Now, your friends, your neighbors and young aspiring construction professionals can't get a fair shot at the work here in their backyard to help provide for their families. Instead, out of town workers are working here and taking your tax dollars back to their communities.

Please do not endorse this type of discrimination with your vote. Send the bond back to the drawing board and tell these politicians to fix it so all workers can work in their community.

**And remember, while the bond is described as \$650 million, it's more likely to cost you \$1.1 billion.** Bonds are like home mortgages, they have to be paid back with interest...lots and lots of interest over the next 25-30 years.

Lastly, they say part of these funds will be used to upgrade 911 communication technologies. Technology that will be obsolete in 5-6 years, but the payments for that technology will go on for decades, long after that technology has been thrown into the recycling bin.

### Vote NO on Measure T

For more information: [www.SVTaxpayers.org/2018-measure-t](http://www.SVTaxpayers.org/2018-measure-t)

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

/s/ Michele Dowling-Daugherty  
President/CEO, Associated Builders and Contractors Northern California Chapter

/s/ Jennifer Imhoff  
Chair, Libertarian Party of Santa Clara County

## REBUTTAL TO ARGUMENT AGAINST MEASURE T

We all agree that we must carefully focus public spending on our highest priorities, and make spending decisions that save taxpayers in the long run.

How will Measure T save us money? Here are just a few ways:

- Disaster prevention costs far less than disaster recovery.
- Fixing a bridge vulnerable to earthquakes costs far less than the tragic aftermath of neglect.
- Upgrading facilities for emergency operations, 911 communications, and training first responders saves lives and remedial costs.
- Repairing an aging, deteriorating storm drain system is a bargain compared to the devastation of the next flood.
- Fixing potholes saves the average San Jose motorist more than \$700 in annual tire and auto repairs and gas expenditures.
- Permanently protecting open space protects groundwater supplies from contamination, and prevents swollen creeks from flooding our neighborhoods during heavy rains.
- Every \$1 spent repaving streets today will save \$6 in road repairs needed after years of additional deterioration.
- Measure T provides the local dollars needed to attract federal, state, and regional matching grants that stretch our taxpayers' money farther.

Since 2016, we've used your tax dollars to add more than 250 police officers, but we have no police training facility. We've added firefighters and restored "browned out" fire stations to full service, but we have an obsolete emergency operations center.

With tough accountability requirements, including independent citizens' oversight, financial audits, and full public review of all spending, Measure T will rebuild San Jose to make us safer.

Please vote yes on Measure T. [SaferSanJose.org](http://SaferSanJose.org)

/s/ James Eggers  
Chapter Director, Sierra Club

/s/ Teresa Alvarado  
San Jose Director, SPUR

/s/ Darryl Von Raesfeld  
Former Fire Chief, City of San Jose

/s/ Jim Cunneen  
Former CEO, Chamber of Commerce, Former Republican Assemblyman

/s/ Ivy Vuong  
Small Business Owner