

**CITY OF OAKLAND
PROPOSED MEASURE**

**TO BE VOTED ON AT THE NOMINATING
MUNICIPAL ELECTION CONSOLIDATED
WITH THE STATEWIDE PRIMARY ELECTION
TO BE HELD IN THE CITY OF OAKLAND
ON TUESDAY, JUNE 2, 1992**

THE PROPOSED MEASURE TOGETHER WITH THE TAX RATE STATEMENT PREPARED BY THE CITY MANAGER, LEGAL ANALYSIS OF THE MEASURE PREPARED BY THE CITY ATTORNEY, FINANCIAL ANALYSIS OF THE MEASURE PREPARED BY THE CITY AUDITOR, ARGUMENT IN FAVOR OF ADOPTION.

Copies of this Pamphlet in Spanish may be obtained by phoning 238-3611

Copias de este Panfleto en Espanol se pueden obtener llamando por telefono al numero 238-3611

The Council of the City of Oakland does hereby submit on its own motion the following measure to be voted on by the qualified electors of the City of Oakland at the Nominating Municipal Election consolidated with the Primary Election to be held on Tuesday, June 2, 1992.

CITY OF OAKLAND PROPOSED MEASURE

FULL TEXT OF MEASURE I

**A MEASURE ON INCURRING BONDED INDEBTEDNESS
FOR THE PURPOSE OF ENHANCEMENT OF
EMERGENCY RESPONSE CAPABILITIES AND SEISMIC
REINFORCEMENT OF ESSENTIAL PUBLIC
FACILITIES AND INFRASTRUCTURE**

THE PROPOSED MEASURE READS AS FOLLOWS:

WHEREAS, the City of Oakland (the "City") lies vulnerable to a number of natural disasters due to the age of its infrastructure, dangerous topographical and weather conditions, and proximity to the Hayward Fault; and

WHEREAS, the City of Oakland needs to be as prepared as possible in the event of a Hayward Fault earthquake or other earthquake, future wildland fires, or natural or man-made disasters; and

WHEREAS, based on the experiences of the Loma Prieta Earthquake of 1989 and the Oakland Hills firestorm of 1991, there exists a critical and immediate need to upgrade City-wide emergency response capabilities and to construct or reinforce essential City facilities necessary for providing an adequate emergency response; and

WHEREAS, the City on February 11, 1992 adopted, by a two-thirds vote of the members of its City Council, Resolution No. 68672 C.M.S., entitled "A Determination That the Public Interest and Necessity Demand Enhancement of Emergency Response Capabilities and Seismic Reinforcement of Essential Public Facilities and Infrastructure With Financing Through the Issuance of General Obligation Bonds" (the "Resolution"); 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, it is necessary for the City Council of the City of Oakland (the "City Council") to pass an ordinance ordering the submission of the proposition to incur bonded indebtedness for such purposes to the qualified voters of the City at an election held for that purpose; and

WHEREAS, on February 25, 1992, the City Council adopted Ordinance No. 11413 C.M.S. ordering submission of a measure to City voters based upon the following conditions and parameters:

Section 1. The indebtedness to be incurred by the City shall be for the object and purposes set forth in the Resolution, namely, to provide for enhancement of emergency response capabilities and seismic reinforcement of essential public facilities and infrastructure within the City. The cost of repayment of the bonds is projected to average less than \$14.06 per year per \$100,000 of assessed property valuation. The foregoing provision shall not be construed to limit the power and duty of the City Council to cause to be levied and collected a tax sufficient to pay debt service on the bonds in any fiscal year.

Section 2. The estimated costs of the acquisition, development and completion of the Emergency Response and Seismic Safety Program, including any Bond Issuance Fees and Expenses attributable thereto, is not to exceed Fifty Million Dollars (\$50,000,000).

Section 3. The principal amount of general obligation bonds to be issued for the Emergency Response and Seismic Safety Program is not to exceed Fifty Million Dollars (\$50,000,000).

Section 4. The rate of interest to be paid on the bonds for the Emergency Response and Seismic Safety Program shall not exceed twelve percent (12%) per annum (unless the maximum interest rate for general obligation bonds of the City shall hereafter be increased by the Legislature of the State of California, in which event said maximum fixed by said Legislature shall apply).

Section 5. The City proposes to develop and complete the Emergency Response and Seismic Safety Program and to issue and sell general obligation bonds of the City pursuant to Article 9, commencing with section 43600 of Chapter 4 of Division 4 of Title 4 of the Government Code of the State of California in one or more series in the maximum amounts and for the objects and purposes set forth above if two-thirds of all qualified voters voting on the measure set forth above vote in favor thereof. The bonds are to 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 said bonds are to be equally and ratably secured, without priority, by the taxing power of the City.

Section 6. The net proceeds of the sale of the bonds (the "Proceeds") shall be allocated within the City for seismic reinforcement, rehabilitation, and construction of essential facilities for emergency response, including maintenance facilities; seismic reinforcement of essential bridges and roadways for emergency circulation; and construction and rehabilitation of communications facilities for emergency response. All of the referenced enhancements of emergency response capabilities and seismic reinforcements of essential public facilities and infrastructure are referred to herein collectively as the "Emergency Response and Seismic Safety Program".

**TAX RATE STATEMENT IN CONNECTION WITH
THE CITY OF OAKLAND
BOND MEASURE I**

An election will be held in the City of Oakland (the "City") on June 2, 1992, for the purpose of submitting to the electors of the City the question of incurring a bonded indebtedness of the City of Oakland in the principal amount of \$50,000,000. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of tax levies made upon the taxable property in the City. The following information regarding tax rates is given to comply with Sections 5300 and 5304 of the 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 valuations, and assuming the entire debt service will be amortized through property taxation:

1. The best estimate of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the first sale of the bonds based on estimated assessed valuations available at the time of filing of this statement is 1.40 cents per 100 dollars assessed valuation.
2. The best estimate of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds if the bonds are proposed to be sold in series and an estimate of the year in which the rate will apply, based on estimated assessed valuations available at the time of filing this statement is 2.42 cents per 100 dollars assessed valuation for the year 1996.
3. The best estimate of the highest tax rate which would be required to be levied to fund the bond issue and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of filing of this statement is 2.42 cents per 100 dollars assessed valuations for the year 1996.
4. The proposition enacted by the City Council of the City of Oakland and submitted to the voters includes a provision whereby the cost of repayment of the bonds will average approximately \$14.06 per year per \$100,000 of assessed valuation. The provision, however, shall not be construed to limit the power and duty of the City Council to cause to be levied and collected a tax sufficient to pay debt service on the bonds in any fiscal year.

Attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which are not binding upon the City. The actual times of sales of said bonds and the amount sold at any given time will be governed by the needs of the City and other factors. The actual interest rate at which the bonds will be sold, which in any event will not exceed 10%, will depend upon the bond market at the time of the sales. The actual assessed valuations in future years will depend upon the value of the property within the City as determined in the assessment and the equalization process. Hence, the actual tax rates and the years in which such rates are applicable may vary from those presently estimated as above stated.

s/HENRY L. GARDNER
City Manager

CITY OF OAKLAND PROPOSED MEASURE I	
I MEASURE I: ENHANCEMENT OF EMERGENCY RESPONSE CAPABILITIES AND SEISMIC REINFORCEMENT OF ESSENTIAL PUBLIC FACILITIES AND INFRASTRUCTURE BONDS	YES
Shall the City of Oakland be authorized to issue general obligation bonds in a principal amount not to exceed Fifty Million Dollars (\$50,000,000) to provide for enhancement of emergency response capabilities and seismic reinforcement of essential public facilities and infrastructure?	NO

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I

Measure I submits to the voters of the City of Oakland the question of whether or not general obligation bonds to be funded by a supplemental ad valorem property tax should be issued. The proceeds of the bond issuance would finance: the seismic reinforcement, rehabilitation and construction of essential facilities for emergency response, including maintenance facilities; seismic reinforcement of essential bridges and roadways for emergency circulation; and construction and rehabilitation of communications facilities for emergency response.

A "Yes" vote is a vote in favor of authorizing the issuance of general obligation bonds and the levying of the supplemental property tax.

A "No" vote is a vote against such issuance and tax levy.

Measure I has been proposed to pay the costs of enhancement of the City of Oakland's emergency response capabilities and seismic reinforcement of essential public facilities and infrastructure within the City of Oakland.

The amount of the supplemental ad valorem property tax is projected to average \$14.06 per year per \$100,000.00 of assessed real property value over the life of the bond issue. The tax shall be levied for each fiscal year by the City Council of Oakland for a period not to exceed 30 years.

Measure I proposes a supplemental ad valorem property tax that falls within the subject matter of Article XIII A (Proposition 13) of the California Constitution. Proposition 46 amended Article XIII A to allow for such bond issuance provided that it is supported by a "Yes" vote from two-thirds or more of the qualified electors voting on the measure.

s/JAYNE W. WILLIAMS
City Attorney

CITY AUDITOR'S FINANCIAL ANALYSIS OF MEASURE I

BACKGROUND

The City is charged with the responsibility of providing an adequate and effective emergency response to natural disasters and emergency situations. The experiences of the Loma Prieta earthquake in 1989 and the Hills Firestorm in 1991 point out the need for Oakland to upgrade its Citywide emergency response.

PROPOSAL

This Measure would authorize the City to:

1. Issue and sell \$50 million in General Obligation Bonds to be repaid over a period not to exceed 30 years. A City General Obligation Bond is backed by the full faith and credit of the City, meaning that the City pledges to use its taxing power to assure that sufficient funds are available to pay off the Bonds.
2. Levy a supplemental property tax estimated to average \$14.06 per year for each \$100,000 of assessed property valuation on all residential and commercial properties.
This annual levy would be accordingly reduced if the City's assessed valuation grows at an average of more than 5% a year.

The Measure provides for reinforcing, constructing, and earthquake-proofing essential facilities for emergency response, including essential bridges and roadways and the upgrading of the communications systems for emergency response, but does not specify how the money raised by the Bond sale would be allocated. The Council will make the funding allocation decisions.

All projects funded with the Bond proceeds must pertain to the acquisition or improvement of real property and associated fixtures and meet the criteria of this Measure.

It is anticipated that these bonds will be sold at an interest rate of 7% per year.

In any event, these bonds will not be sold at an interest rate higher than 10% per year.

Money Raised by Sale of Bonds	\$50,000,000
Less: Bond Issuance Costs:	
Bond Counsel	(60,000)
Minority Bond Counsel	(20,000)
Financial Advisor	(55,000)
Bond Ratings	(20,000)
Paying Agent Fee for Life of Issue	(70,000)
Printing and Other	(25,000)
Amount Available for Projects	<u>\$49,750,000</u>

INCREASE IN COST OF CITY OPERATIONS

Most of the City departments anticipate minimal or no increase in their annual operating costs upon the completion of the projects funded by the Bond money raised by this Measure.

However, there will be an increase in some City departments' annual operating costs to be paid from the General Fund upon completion of the major categories of anticipated projects, as shown below:

<u>Category or Project</u>	<u>Estimated Increase In Annual Operating Costs</u>	<u>Purpose</u>
● Earthquake-proofing of essential City facilities such as firehouses, Police Dispatch Center, pumping stations	\$ 0	
● Construction of Emergency Operations Center in Fire Station Number 1 (Emergency Service Unit)	20,000 35,000	Training Maintenance
● Upgrading of emergency response communication systems (Office of Corporate Information Services)	230,000	Maintenance of hardware, software, emergency generators, and related communications costs.
● Expansion of fire response capabilities during the fire hazard season (Fire Department)	700,000	Additional staffing.
Total	<u>\$985,000</u>	

Purchase of necessary apparatus, furniture, and equipment will be paid from funds already available in the City's Capital Improvement Program.

s/NORMA NG LAU
City Auditor

ARGUMENT IN FAVOR OF MEASURE I

Oakland public safety agencies need to be prepared to respond to large-scale emergencies! The 1989 Loma Prieta Earthquake and the 1991 Oakland Hills Firestorm dramatically demonstrated that Oakland is vulnerable to natural disasters. Our most urgent concern is a future earthquake in Oakland because **the Hayward Fault runs the length of the City.**

To meet emergency response needs, public safety personnel must transport equipment throughout the City and operate communications facilities to dispatch personnel, coordinate responding agencies, and inform the public.

This bond measure will provide the City with funds necessary for **basic emergency response capability**. Bond measure funds will be used to:

- earthquake-proof fire stations;
- improve the police and fire dispatch centers and the 911 systems;
- construct an Emergency Operations Center;
- provide emergency generators to essential facilities;
- strengthen City overpasses needed for emergency access;
- reinforce existing pumping stations to prevent flooding; and
- expanded fire suppression capability.

By the terms of the bond measure, the funds are restricted so that they may only be used for emergency response facilities within the City of Oakland.

This bond measure represents an important milestone in protecting Oakland's future. Many additional activities are also necessary including increased citizen training, improving police and fire operations, and strengthening public roadways, hospitals, and utilities.

FAILURE TO PLAN FOR FUTURE DISASTERS, NATURAL OR MAN-MADE, LEAVES THE CITY VULNERABLE TO CATASTROPHE! TO BETTER PROTECT OUR LIVES AND PROPERTY, WE URGE YOU TO VOTE YES ON MEASURE I.

s/DICK SPEES

Oakland City Councilmember

s/ELIHU M. HARRIS

Mayor of Oakland

s/MARGE GIBSON HASKELL

Oakland City Councilmember

s/FRANK H. OGAWA

Oakland City Councilmember

s/NATHAN A. MILEY

Oakland City Councilmember

No argument submitted against Measure I.

Information compiled by ARRECE JAMESON, City Clerk and Clerk of the Council.