# CITY ATTORNEY'S IMPARTIAL ANALYSIS
# OF MEASURE O

Measure O would authorize the City to issue up to $125,000,000 in general obligation bonds to finance the acquisition, construction, and improvement of the following:

- Acquisition of land for a civic center that would consist of (1) an approximately 20,000 square foot police department, including an emergency operations center, and (2) an approximately 100,000 square foot building to house a public library, City Hall, and related civic and community facilities;

- Water system infrastructure projects, including water storage facilities, water mains, distribution pipelines, and related facilities and improvements necessary to improve system reliability, capacity, resiliency, and long-term service delivery;

- Stormwater system infrastructure projects, including storm drains and related facilities and improvements necessary to improve drainage capacity, flood protection, water quality, and system reliability; and

- Acquisition of land for recreational facilities and park improvements, including a track and field facility and related park amenities.

The bonds would be payable from ad valorem taxes levied on taxable property in the City. The maximum interest rate to be paid on the bonds shall not exceed 12%, though the prevailing interest rates could be less. The City estimates that the highest tax rate that would be required to be levied is approximately $114.41 per $100,000 of assessed value, which the City projects would begin to apply in fiscal year 2028-2029. The City also estimates that the average annual tax rate that would be required to be levied is $105.26 per $100,000 of assessed value, with the final fiscal year in which the tax would be collected being 2057-2058. The City also estimates that 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 $268,205,658.

Bond proceeds would be deposited into a separate fund and may be used only for the public improvements described in the measure. All expenditures would be subject to an annual independent financial audit and the City's Director of Finance would be required to 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.

It may be possible for the City to leverage private donations and state and federal grants to help finance these improvements if the bonds are issued.

This measure was placed on the ballot by the City Council of the City of East Palo Alto. It requires a two-thirds vote to pass.

Voting “Yes” would mean authorizing the City to issue up to $125,000,000 in general obligation bonds for use on the public improvements stated in the measure and briefly summarized above.

Voting “No” would mean the City would not be authorized to issue the bonds.

John D. Lê
City Attorney