CITY ATTORNEY'S IMPARTIAL ANALYSIS
CITY INFRASTRUCTURE AND FACILITIES GENERAL OBLIGATION BOND

This measure was placed on the ballot by the City Council.

This measure would authorize the issuance of $100 million of general obligation bonds. Bond proceeds would be used to repair, renovate, replace, or reconstruct existing City infrastructure and facilities, such as streets and sidewalks, storm drains and green infrastructure projects, senior centers, parks and recreation centers and other important public buildings and facilities. One percent (1%) of the bond proceeds would be available for functional art integrated into infrastructure and/or facilities that are paid for by bond proceeds, as and to the extent determined by the City Council.

This measure requires subcommittees of the Public Works Commission and the Parks and Waterfront Commission to engage in a robust public process to receive public input, and to jointly report to the City Council on an annual basis regarding projects funded by the bond and bond expenditures. It also requires the City Manager, as part of the annual budget process to provide the City Council with a comprehensive report of how bond proceeds have been expended in an equitable manner throughout the City, listing all specific projects on which they have been expended.

This measure limits the maximum rate of interest to be paid on the bonds to six percent (6%).

<u>Financial Implications</u>
The year after the first series of bonds are issued, the tax rate required to meet the estimated debt service would be $6.35 per $100,000 of assessed valuation. The tax rate will increase as additional series of bonds are issued and is anticipated to require $31.26 per $100,000 of assessed value at the highest point. The average tax rate is projected to be $21.27.

The average annual cost over the 40-year period the bonds are outstanding would be approximately $21.27, $90.39, and $127.61, respectively, for homes with assessed valuations of $100,000, $425,000 and $600,000.

The estimated annual tax for a home with an assessed valuation of $425,000 would be $27.01 the first year after bonds.

s/ZACH COWAN
Berkeley City Attorney