CITY OF BERKELEY BOND MEASURE FF

FF **MEASURE FF:** Shall the City of Berkeley issue general obligation bonds not exceeding $26,000,000 to renovate, expand, and make seismic and access improvements at four neighborhood branch libraries, but not the Central Library, with annual reporting by the Library Board to the City Council?	**BONDS YES** **BONDS NO**

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE FF

A MEASURE TO ISSUE GENERAL OBLIGATION BONDS NOT EXCEEDING $26,000,000 TO RENOVATE, EXPAND AND MAKE SEISMIC AND ACCESS IMPROVEMENTS AT FOUR NEIGHBORHOOD BRANCH LIBRARIES, BUT NOT THE CENTRAL LIBRARY, WITH ANNUAL REPORTING BY THE LIBRARY BOARD TO THE CITY COUNCIL

This bond measure would authorize the issuance of $26 million of general obligation bonds. The bond measure specifies that bond proceeds would be limited to renovation, construction, seismic, and disabled access improvements, and expansion of program areas at the City's four neighborhood branch libraries, but not the Central Library downtown. Current plans for renovation include restoration and refurbishment of historic features at the branch libraries as part of any renovation.

Although the bonds must be issued by the City Council, under the Berkeley City Charter, the Board of Library Trustees is responsible for managing the Library. Thus the bond proceeds, which are allocated for improvements to neighborhood branch libraries, will be administered by the Board of Library Trustees. The measure would also require the Board of Library Trustees to report annually to the City Council on the use of the bond proceeds.

Financial Implications

The year after the first bonds are issued, the tax rate required to meet the estimated debt service would be 0.01822¢ per $100 of assessed valuation. This rate is expected to peak at 0.01822¢ per $100 of assessed valuation and average 0.00836¢ per $100 of assessed valuation during the 30-year issue. The estimated annual tax for a home with an assessed valuation of $330,500 would be $59 the first year after bonds are issued, peak at $59 and average $27 over the 30-year life of the bonds.

s/ZACH COWAN
Acting Berkeley City Attorney

TAX RATE STATEMENT FOR MEASURE FF

An election will be held in the City of Berkeley on November 4, 2008, for the purpose of submitting to the electors of the City, the question of incurring a bonded indebtedness of the City in a principal amount not to exceed $26,000,000. It is expected that bonds would be issued in a single series. The following estimated projections are made assuming said bonds are sold in a single series with an average annual interest rate of 4.95% and using 2008-2009 assessed valuation of the City of Berkeley, County of Alameda, California as the base year. 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 of the City. The following information regarding tax rates is given to comply with Sections 5301 and 5304 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, and assuming the entire debt service will be amortized through property taxation:

1. The best estimate of the tax which would be required to be levied to fund the bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement is 1.822 cents per 100 dollars of assessed valuation (or stated another way, $18.22 per $100,000 of 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 sale of the last series of bonds and an estimate of the year in which that rate will apply, based on estimated assessed valuation available at the time of filing this statement, is 1.822 cents per 100 dollars of assessed valuation for the year 2009/2010 (or stated another way, $18.22 per $100,000 of assessed valuation).
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 valuation available at the time of filing this statement is 1.822 cents per 100 dollars of assessed valuation for the year 2009/2010 (or stated another way, $18.22 per $100,000 of assessed valuation).
4. The best estimate of the average tax rate which would be required to be levied to fund the bond issue over 30 years is .836 cents per $100 of assessed valuation (or stated another way, $8.36 per $100,000 of assessed valuation).

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 rates at which the bonds will be sold, which in any event will not exceed 12%, will