

ORDINANCE NO. 4996

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO
CALLING A SPECIAL ELECTION AND ORDERING THE
SUBMISSION OF A PROPOSITION INCURRING BONDED
DEBT FOR THE PURPOSE OF CONSTRUCTION AND
COMPLETION OF A NEW MITCHELL PARK LIBRARY AND
COMMUNITY CENTER, RENOVATION AND EXPANSION OF
MAIN LIBRARY, AND RENOVATIONS TO DOWNTOWN
LIBRARY TO THE QUALIFIED VOTERS OF THE CITY OF
PALO ALTO AT THE SPECIAL MUNICIPAL ELECTION TO BE
HELD ON NOVEMBER 4, 2008

WHEREAS, use of the Palo Alto libraries has increased; in fiscal year 2007-2008 circulation in Palo Alto libraries increased 8% over the prior year, and users checked out over 1.5 million books, periodicals, DVDs, and other materials; and

WHEREAS, in a 2007 report, the City Auditor determined that Palo Alto libraries are in the poorest condition when compared to libraries in ten surrounding communities; and

WHEREAS, the Auditor's report specifically noted that Palo Alto's libraries were overcrowded, had poor lighting and inadequate meeting spaces; and

WHEREAS, Palo Alto libraries are cramped, have poor lighting, and have no room for expansion of collections or group study and quiet reading areas; and

WHEREAS, Mitchell Park Library was built more than fifty years ago; over the past twenty years circulation there has tripled and it currently receives more than one thousand visitors per day; and

WHEREAS, Mitchell Park Library has the highest circulation of all libraries in Palo Alto, but it is too small and outdated to serve the population that uses it today; and

WHEREAS, many residents in our community, especially children and seniors, rely on Palo Alto libraries; and

WHEREAS, some of the heaviest use occurs after school when children from the neighborhood schools gather to do homework, research and work on group projects; at these times, the libraries can be overcrowded and noisy, making it challenging for others to comfortably use the library, study, or access services; and

WHEREAS, Mitchell Park, Main and Downtown libraries have poor ventilation and lack air conditioning; and

WHEREAS, Mitchell Park, Main and Downtown libraries are too small to accommodate growth in library collections, which residents have identified as a priority for City libraries; and

WHEREAS, under the conditions described above, our libraries cannot fully offer the services and resources our Palo Alto residents deserve; and

WHEREAS, it is critical that the City provide libraries and community centers that afford earthquake safety by construction to modern seismic standards; and

WHEREAS, the City needs to ensure and enhance disabled access at its public libraries and community centers; and

WHEREAS, libraries are an important community asset because they provide more than just books—they are a place for residents to learn and to gather and they enrich the culture of our City; and

WHEREAS, on July 21, 2008, this City Council adopted, by a two-thirds vote of all the members of the Council, a Resolution entitled "A Resolution of the Council of the City of Palo Alto Determining That the Public Interest and Necessity Demand the Construction and Completion of a New Mitchell Park Library and Community Center and the Renovation of Main and Downtown Libraries and their 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 costs of constructing the new Mitchell Park library and community center and renovating and improving Main and Downtown libraries, it is necessary for this Council to pass an ordinance ordering the submission of the proposition of incurring bonded indebtedness for such purpose to the qualified voters of the City at an election; and

WHEREAS, a Special Municipal Election for the City is to be held on Tuesday, November 4, 2008; and

WHEREAS, the City Council desires to submit to the voters at the election the proposition of incurring bonded indebtedness as hereinafter set forth.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALO ALTO, CALIFORNIA, does ordain as follows:

SECTION 1. Ballot Proposition. That the following question shall be submitted to the voters of the City at the Special Municipal Election to be held on November 4, 2008:

"LIBRARY FACILITIES, COLLECTIONS, SAFETY IMPROVEMENT BOND. To provide additional space to expand library collections, add new children's and group program areas, replace outdated lighting, provide modern ventilation and air conditioning systems, ensure seismic safety and enhance disabled access, shall the City of Palo Alto issue bonds up to \$76,000,000 to construct a new energy-efficient Mitchell Park Library and Community Center, expand and renovate Main Library, and renovate Downtown Library, with annual audits and independent citizen oversight?"

_____ YES _____ NO

SECTION 2. Object and Purpose of Bonds. The object and purpose of incurring the indebtedness is to finance the costs of constructing a new energy efficient, environmentally friendly library and community center at Mitchell Park and the costs of renovating and expanding Main Library and renovating Downtown Library, including enhancements at all three facilities for earthquake safety and disabled access, expanded space for library collections, meeting and study areas, and new air conditioning, ventilation and lighting systems. The foregoing improvements are referred to herein as the "Improvements". The City wishes to construct the Improvements because the present library and community center at Mitchell Park, and the Main and Downtown libraries, are inadequate to serve the needs of the citizens of the City.

SECTION 3. Estimated Cost of Improvements. The estimated cost of the portion of the costs of the Improvements to be paid for from the City's general obligations bonds is seventy-six million dollars (\$76,000,000). The estimated cost includes legal and other fees and the cost of printing the bonds and other costs and expenses incidental to or connected with the authorization, issuance and sale of bonds. The cost of constructing the Improvements in excess of \$76,000,000 will be paid for from other funds of the City.

SECTION 4. Principal Amount of Bonds. The amount of the principal of the indebtedness to be incurred is not to exceed seventy-six million dollars (\$76,000,000).

SECTION 5. Maximum Interest Rate. The maximum rate of interest to be paid on the indebtedness shall be twelve percent (12%) per annum.

SECTION 6. Issuance and Sale of Bonds. This City Council does hereby call a special municipal election on Tuesday, November 4, 2008, and submit to the qualified voters of the City, at said Special Municipal Election, the proposition set forth in Section 1 hereof. The City proposes to construct and complete the Improvements, and to issue and sell General Obligation Bonds of the City pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above, if two-thirds of all qualified voters voting on the proposition 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 7. Consolidation; Manner of Conducting Election. That in all particulars not recited in this Ordinance, the election shall be held and conducted as provided by law for holding municipal elections. That pursuant to the requirements of section 10403 of the Elections Code, the Board of Supervisors of the County of Santa Clara is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide Special Election on Tuesday, November 4, 2008, and said election shall be held in all respects as if there were only one election and only one form of ballot shall be used.

SECTION 8. Procedure for Voting on Proposition. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the proposition on the ballot, in accordance with procedures to be adopted by the authorized officers of the County charged with conducting the election.

SECTION 9. Time and Place of Election. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in the time, form, and manner required by law.

SECTION 10. Publication of Ordinance. This Ordinance shall be published once a day for at least seven days in a newspaper printed, published and circulated at least six days a week in the City, or once a week for two weeks in a newspaper printed, published and circulated less than six days a week in the City. The first of said publications shall, in either event, be within fifteen (15) days after the adoption of this ordinance. The City Clerk is hereby authorized and directed to make said publications and to transmit, for receipt no later than August 8, 2008, a certified copy of this Ordinance to the Board of Supervisors (the "Board of Supervisors") of Santa Clara County (the "County"), and a copy with the County Clerk of the County and the Registrar of Voters of the County.

SECTION 11. Canvassing Election Returns. The Board of Supervisors is hereby authorized to canvass the returns of said City Bond Election.

SECTION 12. Election Instructions. The Board of Supervisors is hereby requested to issue instructions to the County Elections Department to take any and all steps necessary for the holding of the said consolidated elections.

SECTION 13. Accountability Requirements. As required by Section 53410 of the Government Code, a statement in substantially the following form shall be included on the ballot for the Bonds, and the City Council covenants to comply with the reporting requirements contained in Section 53411 of the Government Code:

Accountability Measures

As required by Section 53410 of the Government Code, the following accountability measures are hereby made a part of the City's Bond Measure "LIBRARY FACILITY, COLLECTIONS, SPACE, SAFETY IMPROVEMENT BOND" (the "Measure"):

- a) The specific purpose of the bonds is to build a new Mitchell Park library and community center, expand and renovate Main library, and renovate Downtown library;
- b) The proceeds from the sale of the City's bonds will be used only for the purposes specified in the Measure, and not for any other purpose;
- c) The proceeds of the Bonds will be deposited into a Library/Community Center Project Construction Fund to be held by the City; and
- d) The Administrative Services Director of the City shall file an annual report with the City Council of the City, commencing not later than November 1, 2009, and annually thereafter, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the Library/Community Center project listed in the Measure.

SECTION 22. Effective Date. This Ordinance shall become effective immediately as an ordinance relating to an election pursuant to Government Code section 36937(a) upon its adoption by two-thirds vote of all the members of this City Council.

The above ordinance was introduced with the first reading waived at a regular meeting of the City Council on the 21st day of July, 2008, and passed and adopted at a regular meeting of said Council held on the 4th day of August, 2008, by the following vote:

INTRODUCED: July 21, 2008

PASSED: August 4, 2008

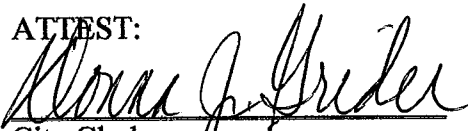
AYES: BARTON, BURT, DREKMEIER, ESPINOSA, KISHIMOTO, KLEIN,
MORTON, SCHMID, YEH

NOES:


ABSENT:

ABSTENTIONS:

ATTEST:

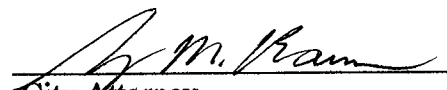


City Clerk



Mayor

APPROVED AS TO FORM:



City Attorney

APPROVED:



City Manager or designee



Director of Administrative Services

**Tax Rate Statement In Connection With
City of Palo Alto Bond Measure ____**

An election will be held in the City of Palo Alto (the "City") on November 4, 2008, on the question of issuing bonds in the principal amount of \$76,000,000 to finance library and community center facilities as described in the bond measure. If the bonds are approved, the City expects to sell the bonds in one series. Principal and interest on the bonds will be paid from taxes levied on taxable property in the City. The following tax rate information is given to comply with Sections 9400-9404 of the Elections Code of the State of California.

Based on estimated assessed valuations available at the time of filing of this statement:

1. The best estimate of the tax rate that would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first and only series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.02874 per \$100 (\$28.74 per \$100,000) of assessed valuation in fiscal year 2009-10.

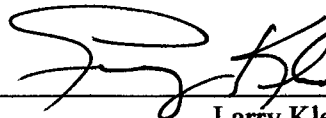
2. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$0.02874 per \$100 (\$28.74 per \$100,000) of assessed valuation in fiscal year 2009-10.

3. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$0.02698 per \$100 (\$26.98 per \$100,000) of assessed valuation.

Voters should note that the estimated tax rates are based on the *assessed value* of taxable property on the County's official tax rolls, *not* on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone payment of taxes. Property owners should consult their own property tax bills and the County Assessor to determine their property's assessed value and any applicable tax exemptions.

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 estimates are based upon the City's projections and are not binding upon the City. 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 County Assessor in the annual assessment and the equalization process.

Dated: August 5, 2008



Larry Klein
Mayor
City of Palo Alto