

CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE UU

If adopted by the voters, Measure UU would authorize the City of Piedmont to issue up to \$19,500,000 in general obligation bonds to finance the costs of municipal improvement projects of the City to prevent the permanent closure of and replace the Piedmont Community Pool and adjacent areas. Measure UU was placed on the ballot by the Piedmont City Council. General obligation bonds are a form of municipal indebtedness used to finance public improvements and are authorized by the California Constitution and California Government Code. The measure authorizes the bond proceeds to be spent for the construction of improvements to the Piedmont Community Pool and adjacent areas, including pools, showers, restrooms, locker rooms and multi-use rooms, and all associated expenditures necessary to complete such work and issue the bonds.

Measure UU limits the principal amount of the bonds to no more than \$19,500,000 and provides that interest rates on the bonds would be capped at a maximum of 12%, but the prevailing market rates could be less. The bonds would be secured by ad valorem taxes levied on taxable real property in the City. The City estimates that the levy of taxes to repay the bonds would be at an average rate of 2.6 cents per \$100 of the assessed valuation. The tax would only be assessed if the bonds are issued and the actual tax rate shall be subject to variation during the duration of the repayment period. Proceeds of the bonds may only be used for the design and construction of improvements for the Piedmont Community Pool and adjacent areas. Measure UU includes accountability requirements including that bond proceeds shall be deposited in a separate account created and held by the City solely for financing the authorized improvements. In addition, the measure also requires the Finance Director to file a report with the City Council at least annually showing the amount of bond proceeds collected and expended, and the status of improvements. Measure UU would also require the City Council to establish and appoint members to an oversight committee, which would have responsibility for reviewing and reporting on the expenditure of the proceeds of the bonds.

In order to pass, Measure UU must receive two-thirds (66.67%) of the ballots cast.

A “YES” vote would be in favor of authorizing the City to issue general obligation bonds in an amount not to exceed \$19,500,000 for the purpose of constructing improvements to the Piedmont Community Pool.

A “NO” vote would be against the issuance of such bonds.

/s/ Michelle Marchetta Kenyon,
City Attorney for the City of Piedmont