

IMPARTIAL ANALYSIS OF MEASURE L

This measure would authorize the Saratoga City Council to do the following:

1. To levy a special tax on every residential lot within the Arrowhead District described below, with the special-tax revenues used to pay principal and interest on bonds issued to finance the public improvements described below and to pay the costs of the City in administering the Arrowhead District;
2. To incur bonded indebtedness through the Arrowhead District, up to an amount of \$6 million; and
3. To establish the Arrowhead District's appropriation limit for fiscal year 2017-18 at \$6 million.

Approval requires a two-thirds majority of the votes cast. A "yes" vote is in favor of approval. A "no" vote is against approval. All registered voters residing in the boundaries of the Arrowhead District are eligible to vote.

The City Council of the City of Saratoga, formed the Arrowhead District as "Community Facilities District No. 2016-1 (Arrowhead Project)" on December 21, 2016. The Arrowhead District's purpose is to assist in financing water storage, transmission and delivery facilities, including but not limited to pump stations, motor control center, storage tanks, pipes, valves, related buildings, fire hydrants, and other related facilities. Such facilities will be owned and operated by the San Jose Water Company, or another public utility. If this measure is approved, bonds would be issued to finance these improvements. The bonds would be paid by the proceeds of the special tax.

The special-tax rate would be set according to the Rate and Method of Apportionment of the special tax (the "Rate and Method") that was adopted by the City Council on December 21, 2016, in Resolution 16-076 (the "Resolution of Formation") at the time the Arrowhead District was formed. The tax rate would not exceed \$9,542 for each Assessor's Parcel of Taxable Property within the Arrowhead District, as defined in the Rate and Method. The conditions under which the special tax may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax could not be levied for a period longer than the 2049-50 fiscal year.

If this measure is approved, a continuing lien to secure the levy of the special tax would attach to all non-exempt property in the Arrowhead District upon recordation of a notice of special tax lien in accordance with applicable law, except any non-exempt property for which the special tax has been prepaid and permanently satisfied. The City will establish accounts into which proceeds of the special tax levies and bonds will be deposited, and annual reports on those accounts will be provided to the City Council in accordance with applicable laws.

If you would like a copy of the Resolution of Formation and related documents for more information about the boundaries, accountability measures, nature of the services, and the Rate and Method, please visit www.saratoga.ca.us/arrowhead or contact the City Clerk at 408.868.1269 or bothelio@saratoga.ca.us.



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