

## OAKLAND CITY COUNCIL

**RESOLUTION NO. \_\_\_\_\_ C.M.S.**

**INTRODUCED BY COUNCIL PRESIDENT FORTUNATO BAS,  
COUNCILMEMBER KALB, COUNCILMEMBER KAPLAN, AND COUNCILMEMBER FIFE**

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**RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE NOVEMBER 5, 2024 GENERAL ELECTION A PROPOSED ORDINANCE TO AUTHORIZE ISSUANCE OF \$182 MILLION IN GENERAL OBLIGATION BONDS TO FUND INFRASTRUCTURE PROJECTS AT CHABOT SPACE AND SCIENCE CENTER, CHILDREN'S FAIRYLAND, THE OAKLAND MUSEUM OF CALIFORNIA, PERALTA HACIENDA HISTORICAL PARK, AND MALONGA CASQUELOURD CENTER FOR THE ARTS (FORMERLY KNOWN AS THE ALICE ARTS CENTER), TO IMPROVE AND BUILD FACILITIES TO ADVANCE, AMONG OTHER OBJECTIVES, THE EDUCATIONAL, RECREATIONAL, AND CULTURAL PROGRAMMING FOR ALL CHILDREN, FAMILIES AND RESIDENTS; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO SUBMIT THIS MEASURE TO THE VOTERS AT THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION**

**WHEREAS**, the City of Oakland (the "City") has identified critically needed investment in its major cultural facilities to enhance educational programming; safe, affordable cultural experiences for children and families; and quality of life for all Oaklanders; and

**WHEREAS**, the Oakland City Council (the "City Council") recognizes that investment in the City's cultural facilities, including the Oakland Museum of California, Chabot Space and Science Center, Children's Fairyland, Peralta Hacienda Historical Park, and the Malonga Casquelourd Center for the Arts, is necessary to preserve and enhance the quality of life for all Oaklanders; and

**WHEREAS**, the Oakland Museum of California, located at 1000 Oak Street, Oakland, California, is owned by and in the custodial care of the City of Oakland; and

**WHEREAS**, Children’s Fairyland, located at 699 Bellevue Avenue, Oakland, California, is owned by and in the custodial care of the City of Oakland; and

**WHEREAS**, Chabot Space and Science Center, located at 10000 Skyline Boulevard, Oakland, California, is owned by and in the custodial care of the City of Oakland; and

**WHEREAS**, Peralta Hacienda Historical Park, located at 2465 34<sup>th</sup> Avenue, Oakland, California, is owned by and in the custodial care of the City of Oakland; and

**WHEREAS**, the Malonga Casquelourd Center for the Arts (formerly known as the Alice Arts Center), located at 1428 Alice Street, Oakland, California, is owed by and in the custodial care of the City of Oakland; and

**WHEREAS**, these five institutions have long-standing histories in the City and have broad civic, educational, cultural and recreational missions and are committed to serving a diverse audience of local residents and visitors, offering enriching and engaging educational programming to nearly 220,000 Oakland students each year; and

**WHEREAS**, the five institutions are all challenged by aging infrastructure and the need to improve and enhance the facilities in order to achieve their missions and serve the community; and

**WHEREAS**, the Oakland Museum of California, Chabot Space and Science Center, Children’s Fairyland, Peralta Hacienda Historical Park, and the Malonga Casquelourd Center for the Arts are in need of urgent and necessary capital improvement projects (the “Projects”) totaling \$182 million, an amount greater than the amount allowed for the annual tax levy of the City; and

**WHEREAS**, the City is authorized to issue general obligation bonds to finance municipal improvements pursuant to certain provisions of the California Government Code, including Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 (collectively, the “Bond Law”); and

**WHEREAS**, the City is authorized to issue general obligation bonds for the purpose of financing infrastructure projects pursuant to the provisions of Section 4.54 of the Oakland Municipal Code; and

**WHEREAS**, the City has a vision for ensuring these local institutions can continue to offer valuable exhibits and programming for children of all ages, including interactive hands-on learning opportunities in science, technology, art, history, and culture, multi-media exhibits, and state of the art programming; and

**WHEREAS**, children and youth need safe and affordable spaces where they can enjoy quality time, and recreational, cultural, and educational spaces should not only be maintained, but enhanced for all families; and

**WHEREAS**, the City has determined that these cultural institutions are critical to the civic, cultural, and educational fabric of Oakland; and

**WHEREAS**, the City Council finds and determines that completion of the Projects is in the public interest and the cost of the Projects will total \$182 million; and

**WHEREAS**, the City Council finds and determines it is in the best interests of the City to submit to the voters a proposed ordinance (the “Ordinance”) to incur bonded indebtedness payable from the proceeds of taxes levied upon taxable property in the City under the Bond Law and Chapter 4.54 of the Oakland Municipal Code not to exceed \$182 million for the purpose of financing the Projects; and

**WHEREAS**, the City’s current goal is to keep the ad valorem property tax rate levied by the City to service its voter approved indebtedness during each year bonds authorized by the Ordinance are outstanding at or below the fiscal year 2022-23 tax rate, as projected by the City as of the date such series of bonds is issued, by issuing new bonds under the Ordinance as older bonds are retired and/or as the tax base grows, though the property tax rate may vary due to declines in assessed values and other factors, including, without limitation, factors beyond the City’s control; now, therefore be it

**RESOLVED:** That the Oakland City Council does hereby submit to the voters, at the November 5, 2024 General Municipal Election, the Ordinance, which reads as follows:

The people of the City of Oakland do ordain as follows:

**SECTION 1. TITLE AND PURPOSE.**

- A. TITLE. This Ordinance may be cited as the “2024 Cultural Facilities Infrastructure Bond.”
- B. PURPOSE. The object and purpose of the authorized indebtedness will be to acquire and improve real property including, but not limited to the acquisition, improvement, rehabilitation, preservation, construction, and repair of City facilities for access improvements under the Americans with Disabilities Act (“ADA Accessibility Improvements”), historic preservation, safety and security, visitor amenities, educational facilities, environmental sustainability, and exhibits and collections storage.

## **SECTION 2. Findings.**

- A. The public interest and necessity demand, and it is the intention of the City Council to require, the acquisition, construction and completion of the Projects, and to issue the bonds to finance the cost thereof, subject to completion of the proceedings required by the Bond Law and Chapter 4.54 of the Oakland Municipal Code.
- B. This action is not a project under the California Environmental Quality Act (“CEQA”) because the establishment of a government financing mechanism that does not involve any commitment to specific projects to be constructed with bond funds does not meet the definition of a project under CEQA and the CEQA Guidelines. The use of bond proceeds to finance any specific project or portion of any specific project will be subject to approval of the applicable decision-making body at that time, upon completion of planning and any further required environmental review under CEQA. Even if this action was to be deemed a project, it would be exempt from CEQA in accordance with CEQA Guidelines Section 15061, subdivision (b)(3), because it can be seen with certainty that there is no possibility that the action authorized herein may have a significant effect on the environment.

## **SECTION 3. IMPROVEMENT PROJECT PLAN**

- A. This Ordinance authorizes the issuance and sale of not to exceed \$182 million in bonds to acquire and improve real property, including but not limited to, the acquisition, improvement, rehabilitation, preservation, construction, and repair of City facilities for ADA Accessibility Improvements, historic preservation, safety and security improvements, exhibit and collection storage improvements, visitor amenities, educational facilities, and environmental sustainability enhancements for the facilities and in the approximate dollar amounts stated in this Section 3.A. All such dollar amounts are estimates of costs of the improvements at the time of adoption of this Ordinance. Such estimates are not commitments or guarantee that the stated amounts will be spent.
  - 1. Approximately \$94 million at the Oakland Museum of California;
  - 2. Approximately \$51.5 million at Chabot Space and Science Center;
  - 3. Approximately \$21.5 million at Children’s Fairyland;
  - 4. Approximately \$7.5 million at Peralta Hacienda Historical Park; and
  - 5. Approximately \$7.5 million at Malonga Casquelourd Center for the Arts.

- B. The final cost of improvements at one or more of the facilities listed in Section 3.A financed with bonds issued pursuant to this Ordinance may be greater or lower than the amounts stated in Section 3.A as determined by the City.
- C. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Proceeds of the bonds may be used to pay or reimburse the City for the costs of City staff when they are performing work on or necessary and incidental to such projects. Proceeds of bonds may also be used to pay any fees, costs and expenses incidental to or connected with the authorization, issuance and sale of the bonds, including, but not limited to, legal fees and costs of printing the bonds
- D. The order in which the projects appear in Section 3.A above is not an indication of priority for funding or completion or a guarantee that any such projects will be completed. Projects will be completed as needed according to City priorities. Completion of some projects may be subject to additional environmental or other government approvals by state or local officials.
- E. Contractors, City departments, and/or the operators of the facilities listed in Section 3.A shall comply with all applicable City laws when awarding contracts or performing work funded with the proceeds of Bonds authorized by this measure, including but not limited to compliance with the City of Oakland's Local and Small Local Business Enterprise (L/SLBE) Program Ordinance.

#### **SECTION 4. Tax and Indebtedness.**

To provide financing for the purposes and projects identified in Section 1 and 3 of this Ordinance, the City shall be authorized to issue and sell bonds in one or more series in an amount up to \$182 million in aggregate principal amount under the Bond Law and/or Chapter 4.54 of the Oakland Municipal Code, subject to the accountability safeguards specified in Section 5, 6, and 7 of this Ordinance. The proceeds from the sale of the bonds shall be used only for the purposes and projects specified in Sections 1 and 3 and not for any other purpose. The maximum rate of interest on the bonds will not exceed the maximum permitted by law, though the City expects to issue the bonds at market rates prevailing at the time of issuance. Said interest shall be payable semiannually, except that interest for the first year after the date of the bonds may be made payable at the end of said year.

The City's current goal is to keep the ad valorem property tax rate levied by the City to service its voter-approved indebtedness during each year bonds authorized by this Ordinance are outstanding at or below the estimated fiscal year 2022-2023 tax rate, as projected by the City as of the date each series of bonds are issued under this Ordinance, by issuing new bonds under this Ordinance as older indebtedness are retired and/or as the tax base grows, though the actual property tax rate levied in each fiscal year may vary based on other factors. The City's current

goal shall not be construed as impairing or limiting the obligation of the City to levy taxes as necessary to pay principal and interest on the bonds authorized and issued under this Ordinance and applicable law. In accordance with this goal, the City's Debt Management Policy includes a General Obligation Bond Policy to maintain the ad valorem property tax rates levied by the City to service its voter-approved indebtedness at or below the fiscal year 2022-2023 rate with respect to future City general obligation bond issuances.

The City's best estimate of the ad valorem tax rate required to be levied on all taxable property in the City to pay debt service on the total amount of the proposed bonds (\$182 Million) is projected to average \$[REDACTED] per year per \$100,000 of assessed property valuation while bonds are outstanding. Such estimation shall not be construed to limit the power and duty of the City Council to cause to be levied and collected a tax sufficient to pay debt service on the bonds in any fiscal year, which are secured by an unlimited ad valorem tax on all eligible property in the City.

#### **SECTION 5. Deposit of Bond Proceeds**

The net proceeds of the bonds shall be deposited into a special trust account with or established by the Treasury of the City of Oakland and shall be allocated and expended at the direction of the City Council only for the purposes and projects set forth in Sections 1 and 3 of this Ordinance.

#### **SECTION 6. Financial Audits and Citizen Oversight**

As long as any authorized bond proceeds have not been spent, an annual independent audit shall be performed by an external entity to ensure accountability and proper disbursement of the bond proceeds in accordance with the objectives stated herein.

The City Council shall assign to the existing Affordable Housing & Infrastructure Bonds Oversight Committee (the "Committee") the responsibility for citizen oversight of this measure. This Committee shall have the power to review relevant financial and operational reports related to the expenditure of bond proceeds and provide reports to the City Council when necessary. In addition, the Committee should evaluate the impacts and outcomes of bond expenditures on the bond measure's stated goals.

#### **SECTION 7. Debt Service Fund**

For the purpose of paying the principal and interest on the bonds, the City shall, annually levy and collect a tax sufficient to pay the annual interest on such bonds as it becomes due and such part of the principal that will become due before the proceeds of the next general tax levy is available for the payment of such principal. The City shall establish and separately maintain

such collected tax revenues in a debt service fund until the bonds and the interest thereon are fully paid, or until a sum is set apart to pay all amounts that will be due to cover the principal and interest on the bonds in the Treasury of the City of Oakland or held on behalf of the City.

**SECTION 8. Savings Clause.**

If any provision, sentence, clause, section or part of this Ordinance is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this ordinance. It is hereby declared that the voters would have adopted this Ordinance if such unconstitutional, illegal or invalid provision, sentence, clause section or part thereof not been included herein.

**SECTION 9. Effective Date.**

This Ordinance shall be effective only if it is approved by two-thirds of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council.

**SECTION 10. Duties of the Director of Finance.**

It shall be the duty of the Director of Finance to collect and receive all taxes imposed by this Ordinance. The Director of Finance is charged with the enforcement of this Ordinance and may adopt rules and regulations relating to such enforcement.

**SECTION 12. Term of Tax Imposition.**

The ad valorem taxes enacted by this Ordinance shall be imposed and levied until the authorized indebtedness is fully paid. The City shall place delinquencies on subsequent tax bills.

**SECTION 13. Compliance.**

Under Section 53410 of the California Government Code, the bonds shall be for the specific purposes authorized in this Ordinance and the proceeds of such bonds will be applied only for such specific purposes. The City will comply with the requirements of Sections 53410(c) and 53410(d) of the California Government Code.

**SECTION 14. Changes in Law.**

All provisions of this Ordinance and bond measure shall be subject to the applicable laws in effect as of the date of issuance of any bonds issued under the measure.

; and be it





municipal election, to file certified copies of this resolution with the Alameda County Board of Supervisors and the Registrar of Voters; and be it

**FURTHER RESOLVED:** That in accordance with the Elections Code and Chapter 3.08 of the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance, and said date shall be posted in accordance with legal requirements; and be it,

**FURTHER RESOLVED:** That the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots recitals and measure language to be voted on by the voters of the qualified electors of the City of Oakland; and be it

**FURTHER RESOLVED:** That the City Clerk is hereby directed to cause the posting, publication, and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3.08 of the Oakland Municipal Code, the Government Code and the Elections Code of the State of California; and be it

**FURTHER RESOLVED:** That the City Administrator, or any written designee of the City Administrator is hereby separately authorized and directed to execute and deliver to County officials any directions, requisitions, or other writings, including, but not limited to, the tax rate statement for the bonds, in order to cause the election to be held and conducted in the City; and be it

**FURTHER RESOLVED:** That the City Attorney, in accord with the City Attorney's powers and duties is hereby authorized to insert the final ballot question into this Resolution after adoption by the Council so that the ballot question constitutes a true and impartial synopsis of the final proposed measure; and to make any changes to the texts of the measure as described herein to conform to any legal requirements or requirements of the County Registrar; and be it

**FURTHER RESOLVED:** That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2024 general municipal election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the November 5, 2024, general municipal election, consistent with law.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND  
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_  
ASHA REED  
City Clerk and Clerk of the Council of the  
City of Oakland, California

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