

ORDINANCE OF THE CITY OF MILLBRAE ORDERING THE SUBMISSION OF A PROPOSITION OF INCURRING BONDED DEBT TO THE QUALIFIED VOTERS OF THE CITY OF MILLBRAE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 6, 2018, FOR THE PURPOSE OF FINANCING THE RESTORATION OF THE MILLBRAE RECREATION CENTER

WHEREAS, on July 24, 2018, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled "Resolution of the City Council of the City of Millbrae Determining that the Public Interest and Necessity Demands the Restoration of the Millbrae Recreation Center and Their Financing Through the Issuance of General Obligation Bonds", pursuant to which the City Council has found and determined to issue its general obligation bonds to finance the cost of the Restoration of the Millbrae Recreation Center for community recreation purposes, consisting of the Restoration of the Millbrae Recreation Center at 477 Lincoln Circle which was destroyed by a major structure fire on July 21, 2016 (the "Millbrae Recreation Center"); and

WHEREAS, in order to provide for the issuance by the City of its general obligation bonds to provide financing for the Restoration of the Millbrae Recreation Center, it is necessary for the City 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 a special municipal election; and

WHEREAS, the City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 6, 2018.

NOW, THEREFORE, IT IS ORDAINED by the City Council of the City of Millbrae as follows:

Section 1. Call for Election. The City Council hereby orders that there be submitted to the qualified voters of the City a proposition on incurring a bonded debt (the "Bonds") for the purpose set forth in this Ordinance, at the regular election to be held on November 6, 2018.

Section 2. Ballot Proposition. The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 6, 2018, a proposition on issuing the Bonds, to be known as the "Millbrae Recreation Center Restoration Ballot Measure," in substantially the following form:

Millbrae Recreation Center Restoration Measure. Shall a measure to provide a modern recreation center

- Meeting current earthquake, electrical, fire safety codes,
- Providing emergency shelter, disabled access,
- Restoring space for youth, senior, family fitness/ arts/ education programs/ classes,

by issuing \$12 million in bonds, levying \$8.70 per \$100,000 assessed valuation, raising approximately \$750,000 annually while bonds are outstanding, requiring citizens oversight, independent audits, all funds spent for the sole purpose of restoring the recreation center, be adopted?

Section 3. Object and Purpose of Bonds. The object and specific single purpose of issuing the Bonds is the Restoration of the Millbrae Recreation Center. The proceeds of the Bonds may only be expended for the specific purposes set forth in the ballot proposition.

Section 4. Estimated Cost of Millbrae Recreation Center. The estimated cost of the Restoration of the Millbrae Recreation Center is approximately \$30,000,000. The estimated cost do not include legal or other fees, the costs of printing the Bonds and other costs and expenses, which are incidental to or connected with the authorization, issuance and sale of the Bonds.

Section 5. Principal Amount of Bonds. The amount of the principal of the Bonds shall not exceed \$12,000,000.

Section 6. Maximum Interest Rate. The maximum rate of interest to be paid on the Bonds shall be 12% per annum. 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.

Section 7. Issuance and Sale of Bonds. The City proposes to Restore the Millbrae Recreation Center and to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, or Article

4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 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 will 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 the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

Section 8. Accountability Requirements. In accordance with Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds:

- (a) A separate account shall be created and held by the City, into which the proceeds of the Bonds are deposited.
- (b) The City Manager of the City shall file a report with the City Council no later than January 1, 2019, and at least once a year thereafter, showing the amount of Bond proceeds collected and expended, and the status of the project to be financed from the proceeds of the Bonds.

Section 9. Establishment of Oversight Committee; Public Input. In the event the ballot proposition is passed by two-thirds of all qualified voters voting on the proposition, the City Council shall establish and appoint members to an oversight committee, which shall have responsibility for reviewing and reporting on the expenditure of the proceeds of the Bonds.

Section 10. Ballot Arguments. The Mayor and other members of the City Council are hereby authorized (but are not required) to act as an author of any ballot argument in support of the ballot measure which is prepared in connection with the election, including a rebuttal to any argument in opposition to the ballot measure.

Section 11. Impartial Analysis. Pursuant to Section 9280 of the California Elections Code, the City Clerk is hereby directed to submit a copy of this ordinance to the City Attorney and the City Attorney or her designee is hereby authorized and directed to prepare an impartial analysis of the ballot proposition showing the effect of the ballot proposition on the existing law and the operation of the ballot proposition. Such analysis shall not exceed 500 words in length and shall comply in all respects with applicable provisions of the California Elections Code.

Section 12. Official Actions. The Mayor, the City Manager, the Deputy City Manager/Finance Director and the City Clerk, any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the bond measure on the ballot, including but not limited to the execution of a Tax Rate Statement to be included as part of the official ballot measure.

Section 13. Publication of Ordinance. This Ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance.

Section 14. Effective Date. This Ordinance shall become effective immediately upon its adoption by two-thirds vote of all the members of this Council.

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I, Elaine Tran, hereby certify that the foregoing Ordinance No. 772 was introduced on July 24, 2018, and adopted at a regular meeting of the Millbrae City Council on July 30, 2018, by the following vote:

AYES, COUNCILMEMBERS:
Papan, Lee, Schneider and Holober
NOES, COUNCILMEMBERS:

EXCUSED, COUNCILMEMBERS:
Oliva

ACTING CITY CLERK of the City of Millbrae

APPROVED:

MAYOR of the City of Millbrae