

VOTER'S PAMPHLET

MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

AA

To improve access to hiking and biking opportunities, protect and preserve redwood forests, natural open spaces, the scenic beauty of our region and coastline, critical wildlife habitat, restore creeks to protect water quality, and reduce forest fire risk; shall Midpeninsula Regional Open Space District be authorized to issue up to \$300 million in bonds, at a tax rate not to exceed \$3.18 per \$100,000 of assessed value of property owned, with expenditures verified by an independent citizen oversight committee?

FULL TEXT OF BALLOT MEASURE AA

Expenditure Plan

TITLE: To improve access to hiking and biking opportunities, protect and preserve redwood forests, natural open spaces, the scenic beauty of the region and coastline, critical wildlife habitat, restore creeks to protect water quality, and reduce forest fire risk.

1. SUMMARY

Founded by voters in 1972, the Midpeninsula Regional Open Space District ("District") has protected, in perpetuity, 62,000 acres of open space containing 26 preserves and more than 220 miles of trails that serve Santa Clara, San Mateo, and a portion of Santa Cruz counties. The District's preserves provide a scenic backdrop to the region offering residents places for hiking, biking, horseback riding, or simply connecting with nature, close to home. Throughout its 41-year history the District has used taxpayer dollars wisely, leveraging funds to bring in state, federal, and private grant money, and providing annual audits in a transparent public process. The District is governed by a publicly elected board of directors.

Over the years, the number of acres and miles of trails the District owns and maintains have steadily increased, as have the number of visitors and the cost of land. Expanding public access, restoring sensitive environments and purchasing land are costly, yet are high priorities for the public.

To reinforce and expand these types of services and resources, the Board of Directors is placing this funding measure on the June 3, 2014 ballot.

\$300 million in General Obligation Bonds will be sold. The bond repayment would be financed by an annual property tax override based on a tax rate not to exceed \$3.18 per \$100,000 of assessed value of property owned per year.

This Expenditure Plan outlines priority actions identified by the public and proposed by the District to be funded with bond proceeds. Part B describes each priority action and describes what goals it will achieve. Part C of the Expenditure Plan describes the establishment of an independent Citizen Oversight Committee.

2. PRIORITY ACTIONS

The priority actions listed below are the result of a process that combined scientific analysis with broad public engagement to create a shared vision for the future of the District and the region's open space. Each priority action may address one or more of the following as more specifically described in the table **Priority Actions, By Region** attached to this Expenditure Plan:

- Improved hiking, biking, and equestrian opportunities
- Protection and preservation of redwoods, natural open spaces, the scenic beauty of the region and coastline, critical habitats
- Restoration of creeks to protect water quality
- Reduction of forest fire risk

Priority actions are distributed throughout the District as depicted on the map attached to this Expenditure Plan.

If approved, the bond proceeds would be allocated to fund the capital improvements necessary to implement the priority actions listed below. Note: the number associated with each priority action does not denote its priority level, but is only used for identification purposes to correlate with the locations depicted on the map.

The estimates associated with each priority action are in 2014 dollars. These are estimates only, and the actual costs may change in implementation.

The District may annually review and propose amendments to the Expenditure Plan to provide for the use of additional federal, state and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The District shall act on no more than one package of amendments each fiscal year. The District shall establish a process for proposed Expenditure Plan amendment(s) which ensures that the Citizen Oversight Committee is included in the development. Upon completion of this process, amendments(s) to the Expenditure Plan must be passed by a two-thirds majority of the District Board in a publicly noticed meeting.

PRIORITY ACTIONS, BY REGION

South Bay Foothills

(Los Gatos, Monte Sereno, Saratoga and Santa Cruz Mountains)

18 South Bay Foothills: Saratoga-to-Sea Trail and Wildlife Corridor

Protect wildlife corridor along Highway 9. Connect trail to Saratoga-to-Sea Trail and Skyline-to-Sea Trail. **\$1,365,000**

19 Sereno: Dog Trails and Connections

Provide infrastructure to open trails to dogs. Develop connections to Skyline, Sanborn County Park, & Lexington Reservoir. **\$2,254,000**

20 South Bay Foothills: Wildlife Passage and Ridge Trail Improvements

Establish safe corridors for mountain lions across Highway 17. Establish Bay Area Ridge Trail crossing. **\$13,966,000**

21 Bear Creek Redwoods: Public Recreation and Interpretive Projects

Open for hiking, equestrian activities. Provide parking areas, trails; upgrade stables. Restore & protect habitats for various species. Repair roads & trails to reduce sediment. Rehabilitate Alma College site. **\$17,478,000**

22 Sierra Azul: Cathedral Oaks Public Access and Conservation Projects

Develop multi-use trail & plan future trails as land is available. Develop parking. Restore plant communities and soils. Install trailside amenities. Preserve additional open space and complete wildlife corridor in upper Los Gatos Creek watershed. **\$6,714,000**

23 Sierra Azul: Mt. Umunhum Public Access and Interpretation Projects

Open Mt. Umunhum for multi-use public access to summit via road and trail. Open Bay Area Ridge Trail and nearby trail connections. Preserve additional open space and complete wildlife corridor. **\$27,972,000**

24 Sierra Azul: Rancho de Guadalupe Family Recreation

Open Rancho de Guadalupe to public access. Develop accessible multi-use trails with amenities such as parking and family recreation. Restore habitat for rare species. Protect cultural and natural resources. **\$10,078,000**

25 Sierra Azul: Loma Prieta Area Public Access, Regional Trails and Habitat Projects

Provide public access and recreation, including small campground. Develop, improve, connect regional multi-use trails to Forest of Nisene Marks State Park, to protected land to east, and to Mt. Umunhum. Protect Steelhead habitat, rare plants and grasslands, restore Knobcone Pine stands. **\$7,986,000**

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Peninsula Foothills and Bay

(Cupertino, Los Altos, Los Altos Hills, Sunnyvale, Mountain View, Palo Alto, East Palo Alto, Menlo Park, Atherton, Redwood City, San Carlos, Woodside, Portola Valley, Skyline)

2 Regional: Bayfront Habitat Protection and Public Access Partnerships
 Partner to complete gaps in Bay Trail and develop city-to-bay trails. Support wetland restoration and associated interpretive facilities. Preserve additional bayfront open space. **\$5,052,000**

4 El Corte de Madera Creek: Bike Trail and Water Quality Projects
 Develop single-use biking/hiking trails, complete Ridge Trail gaps, and develop trail system leading to parking area. Restore damaged trails to improve water quality. Preserve additional open space as available. **\$8,376,000**

5 La Honda Creek: Upper Area Recreation, Habitat Restoration and Conservation Grazing Projects
 Open upper half of the preserve to public; provide biking/hiking/equestrian trails, dog access, and staging areas. Provide loop & connector trails. Restore habitat for rare species. Improve fencing, corrals, and water systems to reintroduce conservation grazing. **\$11,733,000**

6 Windy Hill: Trail Improvements, Preservation and Hawthorns Area Historic Partnership
 Improve trails, complete pond facilities. Increase multi-use trails, study possible improvements to increase dog use. Open Hawthorns Area; develop trails connecting to Portola Valley and Palo Alto trails. Partner to protect, restore, and interpret historic buildings. Improve habitat conditions in Los Trancos Creek. Preserve additional scenic open space as available. **\$12,740,000**

8 La Honda Creek/Russian Ridge: Preservation of Upper San Gregorio Watershed & Ridge Trail Completion
 Preserve upper San Gregorio watershed; restore endangered species habitats. Support opportunities to provide additional water for fisheries. Complete Bay Area Ridge Trail multi-use connections and gaps. Provide additional public use facilities. **\$15,347,000**

9 Russian Ridge: Public Recreation, Grazing and Wildlife Protection Projects
 Open currently closed areas of preserve. Construct and extend trails. Improve fencing, corrals, and water systems to reintroduce conservation grazing. Improve habitat for sensitive species, implement pond enhancement projects for garter snakes and red-legged frogs. **\$5,560,000**

10 Coal Creek: Reopen Alpine Road for Trail Use
 Reopen Alpine Road as trail connection between Portola Valley & Skyline Blvd. Reroute trails to reduce erosion and improve visitor experience. **\$8,017,000**

11 Rancho San Antonio: Interpretive Improvements, Refurbishing, and Transit Solutions
 Add welcome center, refurbish and add interpretive exhibits to Deer Hollow Farm. Support of transit improvement options such as bike trails, bikeshare station, bus service, or additional parking. **\$10,811,000**

12 Peninsula/South Bay Cities: Partner to Complete Middle Stevens Creek Trail
 Support work by cities to develop the middle section of the Stevens Creek Trail and enhance neighborhood connections. Support work by partners to complete stream corridor restoration and steelhead habitat enhancement below dam. Develop and install interpretive signage. **\$1,038,000**

16 Long Ridge: Trail, Conservation and Habitat Restoration Projects (Saratoga)

Improve roadside parking and provide restrooms. Develop new trail connections to Eagle Rock and Devils Canyon. Repair trails for year-round multi-use access. Protect watersheds for steelhead. Preserve additional open space as available. Implement pond and habitat enhancement restoration projects to benefit rare species. **\$5,140,000**

17 Regional: Complete Upper Stevens Creek Trail

Complete multi-use connection between the Bay Trail & Bay Area Ridge Trail above the reservoir through Picchetti Ranch Open Space Preserve & Lower/Upper Stevens Creek County Parks. Improve Preserve trails and neighborhood connections. Preserve additional open space as available. **\$7,760,000**

Coast

(Half Moon Bay, San Gregorio, Pescadero, La Honda,)

1 Miramontes Ridge: Gateway to the Coast Public Access, Stream Restoration and Agriculture Enhancement

Preserve scenic open space land as available, and establish wildlife corridor. Restore fish and red-legged frog habitats in Madonna Creek watershed. Partner to enhance water availability for agriculture and fish. Develop trail loop system, including Ridge Trail and neighborhood access points. Develop staging area, repair bridges. **\$27,774,000**

3 Purisima Creek Redwoods: Purisima-to-Sea Trail, Watershed Protection and Conservation Grazing

Complete and open multi-use Purisima-to-Sea trail connection between Ridge Trail and Coastal Trail, and new parking areas. Preserve additional open space as available. Remove fish barriers and restore Lobitos Creek. Restore ponds for endangered species. **\$7,608,000**

7 La Honda Creek: Driscoll Ranch Public Access, Endangered Wildlife Protection and Conservation Grazing

Open Driscoll Ranch Area; provide biking/hiking/equestrian trails, limited dog access, parking areas, and interpretive displays. Develop loop & connector trails. Restore habitat for endangered species. Restore La Honda Creek; remove fish migration barriers. **\$14,825,000**

13 Cloverdale Ranch: Wildlife Protection, Grazing and Trail Connections

Improve fencing, corrals, and water systems to increase conservation grazing and sustain large contiguous grasslands. Restore habitat for endangered species. Provide trail connections to nearby State parks. **\$15,712,000**

14 Regional: Trail Connections and Campgrounds

Develop trails between Butano, Pescadero County Park, Pescadero, Russian Ridge, and between Skyline and Portola Redwoods, Big Basin State Park. Partner with County and State Parks to improve existing campgrounds. **\$3,966,000**

15 Regional: Redwood Protection and Salmon Fishery Conservation

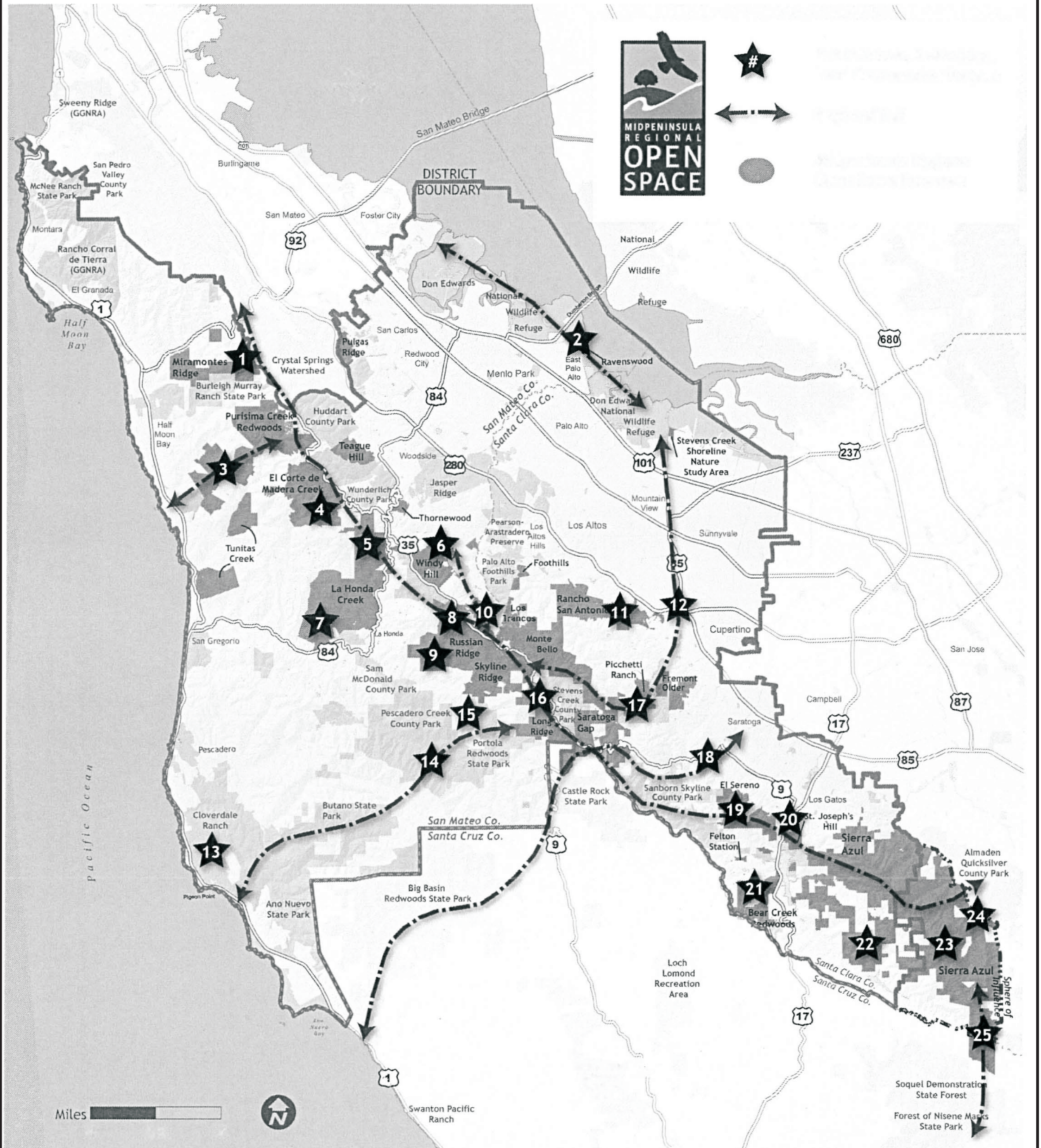
Preserve additional open space as available. Protect and enhance redwood stands, mountain scenery, various habitats and steelhead salmon. **\$50,728,000**

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3. INDEPENDENT CITIZEN OVERSIGHT COMMITTEE

An Independent Citizen Oversight Committee will be formed to verify expenditures of bond proceeds. The Independent Citizen Oversight Committee will consist of seven at-large members, all of whom shall be District residents. The Citizen Oversight Committee will be selected by the Board and interviewed and approved in open session, and will be subject to the conflict of interest constraints of the California Political Reform Act.

The responsibilities of the Committee include:

- Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.
- Review District's Annual Audit and Annual Accountability report and present the Committee's findings to the Board at a public meeting.
- Review any proposed amendments to the Expenditure Plan.

TAX RATE STATEMENT FOR BOND MEASURE AA

An election will be held in the Midpeninsula Regional Open Space District (the "District") on June 3, 2014, to authorize the sale of up to \$300 million in bonds of the District to provide public access and acquire, restore, and preserve open space throughout the District as described in the ballot measure. If the bonds are approved, the District expects to sell the bonds in several series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information contained in numbered paragraphs 1 - 3 below is provided in compliance with sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$1.00 per \$100,000 of assessed valuation in fiscal year 2015-16.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$2.90 per \$100,000 of assessed valuation in fiscal year 2044-45.

3. The best estimate of the highest 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 \$3.18 per \$100,000 of assessed valuation in fiscal year 2034-35.

Voters should note that the estimated tax rates are based on the estimated ASSESSED VALUE of taxable property on the respective County's official tax rolls, not on a property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. 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 dates of sale and the amount of bonds sold at any given time will be determined by the District based on its needs for 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 District as determined by the respective County Assessor in the annual property value assessment process.

Dated: February 26, 2014.

s/ Stephen E. Abbors
General Manager
Midpeninsula Regional Open Space District

IMPARTIAL ANALYSIS BY COUNTY COUNSEL
MEASURE AA

If approved by at least two-thirds of those voting on the measure, this measure will authorize the Midpeninsula Regional Open Space District (the "District") to issue general obligation bonds in a maximum aggregate principal amount not exceeding \$300,000,000. The bonds would constitute an indebtedness of the District.

The money raised through the sale of the bonds may only be used by the District for the purposes stated in the Expenditure Plan. Accountability measures required by State law would apply, including an annual report and establishment of a citizen oversight committee to verify annual expenditures of bond proceeds.

The interest paid on the bonds and their terms to maturity will be limited by State law.

Payment of interest and principal relating to the bonds would be financed by a tax levied on real property within the District. The Tax Rate Statement for Measure AA which is printed in this ballot pamphlet provides information about that tax.

This measure was placed on the ballot by the District's Board of Directors.

A "yes" vote on Measure AA is a vote to authorize the bonds to be issued and financed by ad valorem taxes levied on real property in the School District.

A "no" vote on Measure AA is a vote against issuing the proposed bonds.

DANA McRAE, COUNTY COUNSEL

By Jane M. Scott
Assistant County Counsel

County Counsel's Impartial Analysis (printed above) of Measure AA contains one word which was included in error: specifically, the next to last sentence concludes with "School District" but the word "school" in that phrase should be disregarded as it has no bearing on the measure or the district, and was used inadvertently.

s/ Dana McRae, County Counsel

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ARGUMENT IN FAVOR OF MEASURE AA

Once our natural areas are gone, they're gone for good.

Protecting and conserving natural resources and open space, including our unique redwood forests and coastal lands, is important now and for future generations.

Measure AA opens new places to walk, hike, and enjoy wildlife and nature.

Measure AA protects forests of old trees, incredible coastal views, local creeks and streams, and other natural areas.

Measure AA expands public access and usability into more of our protected areas, while carefully managing to conserve and sustain them for generations to enjoy.

Measure AA protects our redwood forests: the original "giants" of our area.

Measure AA protects local creeks and streams, a vital part of local water resources.

Measure AA preserves open views and coastal lands, which are critical anchors of our high quality of life.

Measure AA preserves local farms and ranches that sustain our agricultural heritage.

Measure AA adds more trails, and helps connect existing networks, like the Bay Trail.

There's broad support for Measure AA.

Business and technology leaders recognize that our area's natural character makes it a great place to live and work. Teachers know it's critical to protect our environment for future generations. Advocates for working families and housing appreciate that Measure AA enhances our natural areas and improves open space access and trails for all, including the disabled.

Measure AA endorsements, as well as the complete Measure AA project list, can be found by visiting yesforopenspace.org.

Independent citizen oversight and annual audits will ensure that the funds are used as promised.

It's a rare opportunity when a small investment can make such a big difference. We must pass Measure AA now to help save natural areas that cannot be replaced.

Please join Peninsula Open Space Trust, community members and local leaders: vote yes on AA.

s/ Anna G. Eshoo
Member of Congress

s/ Carl Guardino
President & CEO, Silicon Valley Leadership Group

s/ Karen Douglas
Chair, Council of League of Women Voters of Santa Clara County

s/ Margaret Aloe-Koga
Mountain View City Councilmember

s/ Diane Talbert
President, Sempervirens Fund Preserving Redwood Forests Since 1900

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE AA

Think about this for a moment: **this government agency claims it will require \$300,000,000 to turn an unused piece of land into an unused piece of land.**

For billions of years, Nature has traditionally performed this service for free; however, our local bureaucrats have found a way to make this freebie mind-blowingly expensive.

Where would this money go to then, if not to fulfill the District's mission statement of, "...making a preserve system of diverse and unparalleled beauty." you ask? Answer: **"Provide parking areas" and "Add welcome center"**. Seriously, that is what this money is for.

It is already illegal for the private sector to buy and develop anything on the Open Space District's property, so the rejection of this proposed bond (and its enormous cost) will continue to preserve this land for the future.

Ironically, if this measure passes, then and animals' habitats will be torn from the ground to make way for construction crews and equipment. Not only will the passage of this bond put the region into nearly a **half-billion dollars in debt**, but it also guarantees that wild and indigenous species will be selectively destroyed to make way for the government's contractors and builders. We are talking about years upon years of this type of activity, if this measure passes.

The people behind this bond-measure are supposed to be stewards of our green spaces; now they want to tear them up by handing out ridiculously lucrative contracts to the heavy-construction industry.

Visit: www.SVtaxpayers.org/2014-06-midpeninsula-regional-open-space-bond

s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

s/ Edward Leo Wimmers
Chair, Libertarian Party of Santa Clara County

s/ Harland Harrison
Chair, Libertarian Party of San Mateo County

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ARGUMENT AGAINST MEASURE AA

Every local government entity probably would like to have the authority to borrow money (by selling bonds) for any number of current and future projects.

Keep in mind, however, that any borrowed money must be repaid — with interest. California "general obligation" bonds are guaranteed for repayment by the **accompanying authority to raise property taxes.**

Under the language of this measure, **there is no telling how the \$300 million will be used** (except generally to purchase and maintain open space areas as provided in its Section 3). The section refers to an "Expenditure Plan" containing "priority actions" with lots of possible projects; however, no project is assured.

Another concern is that this measure contains no limitation on when the bonds may be sold. This is important because the projected tax rate is based on current interest rates. Years from now, if interest rates go up, the bonds authorized by this measure could be sold and pay interest as high as state law allows (currently 12% per year). **The total cost of the borrowing could soar.**

Proponents should address the above-stated concerns and explain to voters:

(1) just how the Open Space District has been spending its current budget of more than \$30 million per year,

(2) how much money each of the many possible projects listed in the current "Expenditure Plan" would cost, and

(3) how many of those projects could be completed for the \$300 million sought in the current bond measure.

Vote No on Measure AA.

For more information, visit www.SVTaxpayers.org/2014-06-midpeninsula-regional-open-space-bond

s/ Mark W.A. Hinkle
President, Silicon Valley Taxpayers Association

s/ Edward Leo Wimmers
Chair, Libertarian Party of Santa Clara County

REBUTTAL TO ARGUMENT AGAINST MEASURE AA

The argument against Measure AA is the same one submitted against nearly every bond measure in our area. It's not specifically related to Measure AA.

Measure AA is for local conservation and environmental protection. Funds can't be taken by the State or used for any other purpose.

Independent citizen oversight and annual audits will ensure Measure AA funds are spent as promised.

Measure AA includes a specific Expenditure Plan describing exactly how funds will be spent. It's online at the Midpeninsula Regional Open Space District's website, and our campaign website: yesforopenspace.org.

Midpeninsula Regional Open Space District manages its budget efficiently, protecting more than 62,000 acres while leveraging significant outside funds. Regardless of future interest rates, the cost of Measure AA is limited to \$3.18 per \$100,000 of assessed value.

Protecting and conserving the Peninsula's remaining natural open space and redwood forests, while increasing local opportunities for walking, hiking and biking, is vital to our community and quality of life. It's the right thing to do for future generations.

Measure AA is urgently needed — and there is no other source of funding for these critical areas. Once our natural areas are gone, they are gone forever.

Please vote yes on Measure AA:

- Protect local redwood forests and remaining coastal lands
- Improve walking and hiking access for all, including the disabled, in protected areas and on local trail networks
- Protect local creeks and streams: the lifelines of our local water supply
- Protect local wildlife
- Protect scenic beauty and open space for future generations to enjoy.

s/ Don Horsley
Supervisor, County of San Mateo

s/ Maria Diaz-Slocum
Board President, Redwood City School District

s/ MB Moulton
Executive Director, Housing Leadership Council of San Mateo County

s/ Kathleen Tyson
President, League of Women Voters of North and Central San Mateo County

s/ Paul Fong
Assembly member