



Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to questions made by Councilmember Tanaka regarding the [Monday, August 8 Council Meeting](#) consent agenda items:

**Item 3, Adoption of a Resolution Establishing FY 2023 Property Tax Levy for General Obligation Bonds (Measure N Libraries)**

**Item 4, Approval of the Rail Committee Charter and Workplan for 2022-23**

Staff responses are below:

**Item 3, Adoption of a Resolution Establishing FY 2023 Property Tax Levy for General Obligation Bonds (Measure N Libraries)**

**1. What are the current interest rates on our outstanding bonds?**

**Staff Response:** The borrowing costs or True Interest Costs (TIC) on General Obligation (GO) bonds are:

- a) 2013 GO (tax-exempt) Bonds is 3.85%
- b) 2022A GO (tax-exempt) Bonds (2010 GO Bonds were refinanced spring 2022) is 3.41%
- c) 2022A GO (taxable) Bonds (a portion of 2013 GO Bonds were refinanced spring 2022) is 3.86%

**2. With secured Assessed Value (AV) for properties throughout Palo Alto increasing, why would the property tax actually be lower in 2023 than 2022?**

**Staff Response:** The GO Bond property tax assessment levied is calculated annually and limited to generate only the revenue that is needed to fund annual debt service payments. In addition, the full refinancing of the 2010 GO bonds and the partial refinancing of the 2013 GO bonds in June 2022 reduced the annual debt service payment by \$0.36M resulting in the need to collect less assessment in FY 2023. Additional detail can be found in the [CMR 13999, packet p. 49](#), second paragraph under the Discussion section.

**Item 4, Approval of the Rail Committee Charter and Workplan for 2022-23**

**1. Would this plan have a place for the average citizen to find a timeline of the project once adjustments to the roads begin to happen? What about the number of days the roads might be closed or lanes might be closed due to construction?**

**Staff Response:** This report is for the Rail Committee work plan for this year, and is not approving any grade separation construction or road work. When there is a schedule for grade separation construction, road work or any other impacts it will include provisions for notifying the community of the construction activities and schedule.