

BOARD OF EDUCATION

Attachment: Action

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PALO ALTO UNIFIED SCHOOL DISTRICT

Date:

02.26.08

TO: Kevin Skelly, Superintendent of Schools

FROM: Bob Golton and Cathy Mak, Interim Chief Business Officers

SUBJECT: Resolution 2007-08.10 - Ordering School Bond Election and Authorizing Necessary Actions in Connection Therewith

On January 22, 2008, the Board held a study session in which they reviewed ballot language and heard a report from staff on this topic. This item was presented and reviewed as a discussion item at the Board meeting on February 12, 2008.

BACKGROUND

State law requires the Board of Education to order school district elections. The Santa Clara County Registrar of Voters will conduct the election on behalf of the District, including publishing all required notices. This resolution must contain the exact language of the bond proposition in the "specifications of the election order" [Section 2]. Under Proposition 39, which permits passage of the measure upon a 55% "yes" vote, certain additional matters must be addressed in the bond measure, including a specific project list to be funded from the bonds [Exhibit A]. A 75-word summary of the measure, to appear on the ballots, is included in the resolution [Section 3].

The resolution also contains a form of "tax rate statement" [Exhibit B], which must be included in the voter information pamphlet, describing anticipated rates of tax at three specific times during the life of the bond issue. The resolution also authorizes, but does not commit, the Board and individual members of the Board to prepare and sponsor a ballot argument in support of the bond measure. No more than five persons may sign the ballot argument.

Following adoption, the resolution must be delivered to the Registrar of Voters. The election will be consolidated with the statewide primary election to be held on June 3, 2008.

PURPOSE

To call an election within the District for the purpose of approving school bonds, to request the County Registrar of Voters to conduct the election on behalf of the District, and to authorize the preparation and completion of election materials including ballot arguments and a tax rate statement, to be included in the voter information pamphlet.

RECOMMENDATION

It is recommended that the Board of Education adopt Resolution 2007-08.10 ordering a school bond election to be held on June 3, 2008, and authorizing necessary actions in connection therewith.

Resolution No. 2007-08.10

**RESOLUTION OF THE BOARD OF EDUCATION OF THE
PALO ALTO UNIFIED SCHOOL DISTRICT
ORDERING SCHOOL BOND ELECTION AND AUTHORIZING NECESSARY
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Board of Education (the "Board") of the Palo Alto Unified School District (the "District"), within the County of Santa Clara, California (the "County"), is authorized to order elections within the District and to designate the specifications thereof, pursuant to Sections 5304 and 5322 of the Education Code of the State of California (the "Education Code"); and

WHEREAS, the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified, pursuant to Education Code Sections 15100 et seq.; and

WHEREAS, pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the California Constitution, and Section 15266 of the Education Code, school districts may seek approval of general obligation bonds and levy an ad valorem tax to repay those bonds upon a 55% vote of those voting on a proposition for the purpose, provided certain accountability measures are included in the proposition; and

WHEREAS, the Board deems it necessary and advisable to submit such a bond proposition to the electors, which, if approved by 55% of the votes cast, would permit the District to issue its bonds; and

WHEREAS, such a bond election must be conducted concurrent with a statewide primary election, general election, or special election, or at a regularly scheduled local election, as required by Section 15266 of the Education Code; and

WHEREAS, on June 3, 2008, a statewide primary election is scheduled to be conducted throughout the District; and

WHEREAS, based upon a projection of assessed property valuation and a proposed schedule of bond issuances, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the statutory limit of \$60 per year per \$100,000 of assessed valuation of taxable property, pursuant to Education Code Section 15270;

WHEREAS, if the project to be funded by the bonds will require State matching funds for any phase, the sample ballot must contain a statement, in form prescribed by law, advising the voters of that fact, and the Board finds that the projects listed in Section 2 of this Resolution will not require State matching funds not yet received by the District;

WHEREAS, Section 9400 et seq. of the Elections Code of the State of California (the “Elections Code”) requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election; and

WHEREAS, the Board now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election;

NOW, THEREFORE, be it resolved, found, determined and ordered by the Board of Education of the Palo Alto Unified School District as follows:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Specifications of Election Order: Pursuant to Education Code Sections 5304, 5322, 15100 et seq., and 15266, a special election shall be held within the boundaries of the Palo Alto Unified School District on June 3, 2008, for the purpose of submitting to the registered voters of the District the following proposition:

PALO ALTO SCHOOL MODERNIZATION AND EXPANSION BOND OF 2008

This Proposition may be known and referred to as the “Palo Alto School Modernization and Expansion Bond of 2008” or as “Measure ____”. [*designation to be assigned by County Registrar of Voters*]

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the Palo Alto Unified School District shall be authorized to issue and sell bonds of up to \$378,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below.

Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the Palo Alto Unified School District’s voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the Palo Alto Unified School District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of

the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Education has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the Palo Alto Unified School District at each campus and facility, and to determine which projects to finance from a local bond at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Independent Citizens' Oversight Committee. The Board of Education shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board of Education.

Annual Performance Audits. The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.

Annual Financial Audits. The Board of Education shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary pursuant to Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31, 2008, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A describes the specific projects the Palo Alto Unified School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Education cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further

government approvals by State officials and boards, to local environmental review and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed. The Board of Education may make changes to the Bond Project List in the future consistent with the projects specified in the proposition.

Each project is assumed to include its share of costs of the election and bond issuance and other construction-related costs, such as construction management, architectural, engineering, inspection and other planning costs, legal, accounting and similar fees, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects (whether work is performed by the District or by third parties).

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

FURTHER SPECIFICATIONS

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

Joint Use. The District may enter into agreements with the City of Palo Alto or other agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies that bond funds are to be used to fund all or a portion of the local share for such eligible joint-use projects, as the Board of Education shall determine.

Sustainability Standards. The Board of Education has adopted Guidelines for Sustainable Construction, requiring design professionals and staff to follow California's Collaborative for High Performance Schools (CHPS) standards and best practices for all future District building projects. These standards incorporate the latest green building practices to reduce operating costs, reduce environmental impact, and increase building life, while creating schools that are healthy, comfortable, well lit and well equipped.

The District intends to incorporate sustainable site design, water conservation, energy efficiency, improving indoor air quality and incorporating sustainable materials and products into the bond projects, emphasizing long term life cycle cost analysis in its design process. It is intended that planned maintenance work will also incorporate improvements to existing facilities with respect to sustainability and energy conservation, whenever feasible.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, payable at the time or times permitted by

law. The bonds may be issued and sold in several series, and no bond shall be made to mature more than 40 years from the date borne by that bond.

TAX RATE STATEMENT

The District is required by law to make its best estimates of the *ad valorem* property tax rate required to be levied on all taxable property in the District to pay debt service on the proposed bonds. Based on historical assessed value data and certain assumptions about future growth in assessed values and how, when and at what cost the bonds will be issued, the District estimates that the tax rate necessary to pay debt service on the proposed bonds, when combined with the tax rate necessary to pay debt service on presently outstanding bonds in each year, will not exceed the rate levied in the current (2007-08) fiscal year to pay debt service on the presently outstanding bonds alone.

The District's tax rate estimates appear in the Tax Rate Statement that the Registrar is required to provide in the Voter Information Pamphlet mailed to voters in connection with the election.

Section 3. Abbreviation of Proposition: Pursuant to Section 13247 of the Elections Code and Education Code Sections 5322 and 15122, the Board hereby directs the Registrar of Voters to use the following abbreviation of the bond proposition on the ballot:

“To provide safe and modern schools; accommodate enrollment growth; upgrade aging classrooms, libraries, computer and science labs; repair or replace roofs, plumbing, heating, ventilation and electrical systems; improve fire alarms and school security; meet current earthquake standards; provide current technology; and replace old portables with permanent classrooms, shall Palo Alto Unified School District issue \$378 million in bonds at legal interest rates, with mandatory audits, independent oversight and bond tax rates estimated not to exceed the current rate?”

Section 4. Voter Pamphlet: The Registrar of Voters of the County is hereby requested to reprint the full text of the proposition, which is all of that portion of Section 2 hereof appearing in bold-face type, including Exhibit A hereto, in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. In the event the full text of the proposition is not reprinted in the voter information pamphlet, the Registrar of Voters is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

“The above statement is an impartial analysis of Measure _____. If you desire a copy of the measure, please call the Santa Clara County Registrar of Voters at {phone number} and a copy will be mailed at no cost to you.”

Section 5. No State Matching Funds. The District has determined that the projects to be funded from the proposed bonds will not require State matching funds for any phase thereof, and that Section 15122.5 of the Education Code does not apply to the proposition. Accordingly, the

Registrar of Voters of the County is hereby requested to omit from the ballot pamphlet the statement regarding State matching funds referenced in Section 15122.5.

Section 6. Required Vote: Pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon the affirmative vote of at least 55% of those voters voting on the proposition.

Section 7. Request to County Officers to Conduct Election: The Registrar of Voters of the County is hereby requested, pursuant to Section 5322 of the Education Code, to take all steps to call and hold the election in accordance with law and these specifications.

Section 8. Consolidation Requirement; Canvass: (a) Pursuant to Education Code Section 15266(a), the election shall be consolidated with the statewide primary election on June 3, 2008, and pursuant to Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the Registrar of Voters and the Board of Supervisors of the County are hereby requested to order consolidation of the election with such other elections as may be held on the same day in the same territory or in territory that is in part the same.

(b) The Board of Supervisors of the County is authorized and requested to canvass the returns of the election, pursuant to Section 10411 of the Elections Code.

Section 9. Delivery of Order of Election to County Officers: The Clerk of the Board of Education of the District is hereby directed to cause to be filed as soon as practicable, and in any event no later than March 7, 2008 (which date is not fewer than 88 days prior to the date set for the election), (1) with the Registrar of Voters of the County, one true copy of this Resolution, including the Tax Rate Statement (in substantially the form attached hereto as Exhibit B), completed and signed by the Superintendent, and (2) with the Clerk of the Board of Supervisors of the County, one copy of this Resolution.

Section 10. Ballot Arguments: The President of this Board, or any member or members of this Board as the President shall designate, are hereby authorized, but not directed, to prepare and file with the Registrar of Voters a ballot argument in favor of the proposition contained in Section 2 hereof, within the time established by the Registrar of Voters, which shall be considered the official ballot argument of this Board as sponsor of the proposition.

Section 11. Further Authorization: The members of this Board, the Superintendent, the Deputy Superintendent, and all other officers of the District, are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution in accordance with the terms hereof and of applicable provisions of law.

Section 12. Effective Date; Required Vote: This Resolution shall take effect upon its adoption by the affirmative vote of at least two-thirds of the members of this Board.

PASSED AND ADOPTED this day, February 26, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

President of the Board of Education of the
Palo Alto Unified School District

Attest:

Clerk of the Board of Education of the
Palo Alto Unified School District

EXHIBIT A

PALO ALTO UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

[Note: The order in which projects are listed is not an indication of priority for funding or completion. Not all listed projects will be completed at every site.]

I. ELEMENTARY SCHOOL PROJECTS

Addison	Barron Park	Briones	Duveneck	El Carmelo
Escondido	Fairmeadow	Garland	Greendell	Hays
Hoover	Nixon	Ohlone	Palo Verde	

- Construct new permanent classrooms and classroom buildings to accommodate enrollment growth and expanded programs.
- Replace temporary classrooms with permanent classrooms.
- Acquire and install modular classrooms, as needed.
- Expand libraries to accommodate enrollment growth.
- Improve or provide new security systems, including alarms, lighting, locks, monitoring systems, fencing, etc.
- Upgrade climate control systems, including passive technologies to conserve energy, such as shade canopies, energy-efficient windows, window coverings and shade control; install/replace heating, ventilation and air conditioning.
- Install/improve local area network (LAN) and wide area network (WAN) infrastructure to accommodate technology upgrades; install/upgrade communications systems.
- Building exterior and building shell renovation, including seismic structural upgrades and Americans with Disability Act (ADA) improvements to bring all buildings to current code; roofs; repainting and/or resurfacing.
- Classroom and other school facilities modernization and building interior improvements, including infrastructure and major building system upgrades.
- Modernization/replacement of administration/multipurpose/library space.

II. MIDDLE SCHOOL PROJECTS

David Starr Jordan

Jane Lathrop Stanford

Terman

- Construct new permanent classrooms and classroom buildings to accommodate enrollment growth and expanded programs.
- Classroom and other school facilities modernization and building interior improvements, including infrastructure and major building system upgrades.
- Construct extra school-wide storage space.
- Expand classrooms and classroom wings, library and administration spaces.
- Improve or provide new security systems, including alarms, lighting, locks, monitoring systems, fencing, etc.
- Upgrade climate control systems, including passive technologies to conserve energy, such as shade canopies, energy-efficient windows, window coverings and shade control; install/replace heating, ventilation and air conditioning.
- Install/improve local area network (LAN) and wide area network (WAN) infrastructure to accommodate technology upgrades; install/upgrade communications systems.
- Renovate gymnasium, including new gym floors, doors, windows, bleachers and athletic equipment; upgrade building infrastructure, including power and water distribution.
- Renovate swimming pool and pool deck; new filtration system; new storage and restrooms; upgrade pool equipment.
- Replace and/or improve play fields, including drainage and irrigation, install water meters; replace landscaping; re-surface and re-stripe hardcourts and replace outdoor athletic equipment.
- Repair/Replace and/or improve concrete walkways and asphalt; canopies; parking lot and driveways.
- Building exterior and building shell renovation, including seismic structural upgrades and Americans with Disability Act (ADA) improvements to bring all buildings to current code; roofs; repainting and/or resurfacing.

III. GUNN HIGH SCHOOL PROJECTS

- Construct new permanent classrooms and classroom buildings to accommodate enrollment growth and expanded programs.
- Demolish old library building.
- Replace temporary classrooms with permanent classrooms.
- Construct additional restrooms.
- Construct second gymnasium.
- Construct new soccer field.
- Upgrade climate control systems, including passive technologies to conserve energy, such as shade canopies, energy-efficient windows, window coverings and shade control; install/replace heating, ventilation and air conditioning.
- Install/improve local area network (LAN) and wide area network (WAN) infrastructure to accommodate technology upgrades; install/upgrade communications systems.
- Building exterior and building shell renovation, including seismic structural upgrades and Americans with Disability Act (ADA) improvements to bring all buildings to current code; roofs; repainting and/or resurfacing.
- Improve or provide new security systems, including alarms, lighting, locks, monitoring systems, fencing, etc.
- Classroom and other school facilities modernization and building interior improvements, including infrastructure and major building system upgrades.
- Replace swimming pool with new 35-meter pool, pool equipment and support structures, pool decking, bleachers, storage, restrooms, showers, associated equipment.
- Renovate gymnasium; interior renovation including gymnasium floors and bleachers; replace athletic equipment.
- Modernize football stadium, including new bathrooms and concession stands.

IV. PALO ALTO HIGH SCHOOL PROJECTS

- Construct new permanent classrooms and classroom buildings to accommodate enrollment growth and expanded programs.
- Replace temporary classrooms with permanent classrooms.
- Construct additional restrooms.
- Upgrade climate control systems, including passive technologies to conserve energy, such as shade canopies, energy-efficient windows, window coverings and shade control; install/replace heating, ventilation and air conditioning.
- Install/improve local area network (LAN) and wide area network (WAN) infrastructure to accommodate technology upgrades; install/upgrade communications systems.
- Building exterior and building shell renovation, including seismic structural upgrades and Americans with Disability Act (ADA) improvements to bring all buildings to current code; roofs; repainting and/or resurfacing.
- Classroom and other school facilities modernization and building interior improvements, including infrastructure and major building system upgrades.
- Library modernization and building interior improvements, including infrastructure and major building system upgrades.
- Renovation or replacement of the Tower Building to accommodate administration, classroom and program support space.
- Renovate Main Gymnasium and second gymnasium, including seismic upgrades; accessibility improvements; construction of new restrooms; install new roofing; replace doors and windows; replace gymnasium floors and athletic equipment, bleachers and renovation of interior. Renovation or replacement of weight training facility.
- Construct new theater building.
- Renovate and improve soccer field, including new retaining wall and bleachers; new fencing and storage.
- Modernize football stadium, including replace bleachers; new bathrooms and concession stands.
- Replace and/or improve play fields, including drainage and irrigation, install water meters; replace landscaping; re-surface and re-stripe hardcourts and replace outdoor athletic equipment.

V. OTHER DISTRICT-WIDE PROJECTS

- Furnishing and equipping of existing and newly constructed, modernized or rehabilitated classrooms and facilities on an ongoing basis, including to replace worn, broken, or out-of-date furniture and equipment for all classrooms, athletic facilities and other facilities, as needed.
- Replace existing or acquire new computers, technology and related equipment on an ongoing basis.
- Establish a planned maintenance fund to address maintenance work expected to be needed to all District facilities on an ongoing basis (other than as may be necessary for current maintenance, operation or repairs), in order to implement the District's comprehensive facilities maintenance plan.
- Acquisition of any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execute purchase option under a lease for any of these authorized facilities.
- If and as opportunities become available, and to the extent the Board of Education determines that bond funds are available for the purpose, acquisition of land and other interests in real property for future school buildings and other District facilities, and construction of such facilities, and rehabilitation/renovation of District-owned buildings and sites not otherwise listed.
- Repair, upgrade, modify, expand, refinish, replace and construct site improvements, including off-street parking areas, pickup/dropoff, signage, paths, sidewalks and walkways, canopies, hard courts (student play areas), athletic play fields, landscaping, irrigation, permanent athletic field equipment and facilities (including nets, basketball standards, goals and goalposts, backstops), field lighting, etc.

VI. ADDITIONAL NECESSARY AND INCIDENTAL PROJECTS

- Remove, dispose of, and otherwise remediate hazardous materials, including asbestos, lead, etc., where necessary.
- Address unforeseen conditions revealed by construction/modernization (including plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Other improvements required to comply with existing building codes, including the Field Act, and access requirements of the Americans with Disabilities Act (ADA).
- Site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, demolition of existing structures, removing, replacing, or installing irrigation and drainage, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, traffic lights and mitigation, and acquiring any necessary easements, licenses, or rights of way to the property.
- Rental or construction of storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.

Renovation/Modernization (defined)

For purposes of the Bond Project List, renovation and modernization projects are intended to restore the building systems and infrastructure, weather protections, finishes, and technology, or reallocate and reorganize space, to a condition that will provide a sustainable, functional educational and administrative environment for future years, comparable to new construction.

Renovation projects may include, but are not limited to nor necessarily encompass, all of the following, depending upon the age, condition and needs of each particular school facility:

- upgrade electrical, communication, fire alarm, and similar building systems as well as main power service and distribution, which may include active and passive solar power and heating system acquisition, installation and construction
- replace, repair or upgrade plumbing, piping and drainage systems, including water supply, meters, water heating, and wastewater systems, plumbing fixtures and sinks, etc., within buildings and sites and to connect with city supply and drainage systems
- replace or modify aging heating, ventilation and air cooling systems with energy-efficient heating and air cooling systems (HVAC), including installing energy management systems (EMS);
- replace, modify, upgrade interior lighting and exterior safety/security lighting systems and fixtures, as necessary;
- repair, modify and construct structural elements of the existing structure as necessary;
- replace or repair aging roofs with similar materials or District standard materials;
- replace, repair, install and construct, as necessary, interior walls, floor and ceiling finishes, doors, door locks, windows, cabinets and casework, and equipment attached to wall surfaces (including white boards, marker boards, tack boards, television mounts, scoreboards, fire extinguishers, kitchen cabinets/equipment, etc.);
- upgrade, modify and construct restroom facilities;
- comply, as necessary, with Americans with Disabilities Act (ADA) and Title 24 requirements;
- refinish the exterior finishes of the school (including stucco, wood and metal trims, wood siding, paint, etc.); replace doors and windows
- modify, expand, separate, convert and construct school support areas; staff work and lunch areas; and educational areas to provide adequate, functional environments;
- modify, replace and construct functional components of altered or replaced building components (including rainwater leaders, fascias, mansards, etc.);

For any project involving renovation, modernization, remodeling or rehabilitation of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the Board of Education determines that replacement and new construction is more practical than rehabilitation and renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors.

EXHIBIT B

TAX RATE STATEMENT

An election will be held in the Palo Alto Unified School District (the "District") on June 3, 2008, to authorize the sale of up to \$378,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in three 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 presented 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 rate 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 0.287 cents per \$100 (\$2.87 per \$100,000) of assessed valuation in fiscal year 2009-10.
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 4.45 cents per \$100 (\$44.50 per \$100,000) of assessed valuation in fiscal year 2016-17.
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 4.45 cents per \$100 (\$44.50 per \$100,000) of assessed valuation in fiscal year 2016-17.

The District intends to structure the proposed bonds so that the estimated combined tax rate needed to repay all of the District's bonds will not increase as a result of the issuance of the proposed bonds.

Voters should note that the estimated tax rates are based on the *ASSESSED VALUE* of taxable property in the District as shown on the County's official tax rolls, *not* on the 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.

The foregoing information is based upon the District's projections and estimates. Approval of the ballot measure authorizes the issuance of bonds under certain conditions, and is not approval of a specific tax rate. 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 and repayment structure of bonds sold, 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 and repayment structure of bonds sold at any given time will be determined by the District based on its need for construction funds and other factors, including the legal limitations on bonds approved by a 55% vote. 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 County Assessor in the annual assessment and the equalization process.

Dated: _____ 2008.

Superintendent
Palo Alto Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Education of the Palo Alto Unified School District, County of Santa Clara, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of the District duly and regularly held at the regular meeting place thereof on February 26, 2008, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present. The resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of the meeting was posted at least 72 hours beforehand at 25 Churchill Avenue, Palo Alto, California, a location freely accessible to members of the public, and a brief description of the adopted resolution appeared on the agenda. A copy of the agenda is attached hereto.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this _____ day of _____, 2008.

Clerk of the Board of Education
Palo Alto Unified School District