



CITY HALL · ONE FRANK H. OGAWA PLAZA 4TH FLOOR · OAKLAND CALIFORNIA · 94612

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August 1, 2022

Asha Reed, City Clerk
1 Frank H. Ogawa Plaza
Oakland, CA 94612

RE: Financial Analysis of “The 2022 Oakland Zoo Animal Care, Education, and Improvement Ordinance” November 2022 ballot measure

Dear City Clerk Reed:

I am pleased to submit an impartial financial analysis of the “The 2022 Oakland Zoo Animal Care, Education, and Improvement Ordinance” ballot measure authorizing the City of Oakland (City) to collect an annual parcel tax to raise revenue to maintain, protect, and improve direct zoo services.

The Office of the City Auditor prepared this analysis in accordance with Municipal Code Section 3.08.210, which requires the Office to prepare an impartial financial analysis of each measure qualifying for ballot placement.

If you have any questions, please contact Assistant City Auditor, Michael Houston at 510-238-3114.

Sincerely,

A handwritten signature in black ink, appearing to read "Courtney A. Ruby". The signature is fluid and cursive, with a large loop at the end.

Courtney A. Ruby, CPA, CFE
City Auditor

Summary

This measure, if passed by a simple majority of the voters, authorizes the City of Oakland (City) to collect an annual parcel tax to raise revenue to maintain, protect, and improve direct zoo services. The proceeds may be used for operations, staffing, maintenance, and capital improvements for the Oakland Zoo, including but not limited to animal care and rehabilitation, educational and conservation programs, fire prevention accessibility, and visitor services.

The tax would take effect July 1, 2023, for a period of 20 years. The parcel tax will terminate if the zoo ceases to operate.

Financial Analysis

The City estimates that it would receive approximately \$14 million in the first year by imposing the following initial tax rates on the parcel types shown below:

Parcel Type	Proposed Initial Tax Rate
Single-family residential	\$68.00
Multi-family residential	\$68.00 per unit
Non-residential/residential hotels/transient hotels	Various rates based on established formulas

If passed, the City Council may annually increase the parcel tax rates based on the greater of the Consumer Price Index for the San Francisco Bay Area, or the percentage change in California's per capita personal income.

Some residents, including very low-income residents and low-income seniors can request exemptions or reduced taxes.

All funds collected by the City from this measure will be deposited into a special fund in the City treasury.

The City's overhead costs for services such as human resources, information technology, legal, and accounting may not be paid from the parcel tax proceeds.

The City may recover other direct and indirect administrative costs from the tax revenues. Additionally, if the measure's resulting ordinance or the use of special tax funds is legally challenged, special tax funds may be used to reimburse the City, County, and the Zoo Operator for legal costs.

The City may impose a one-time penalty for delinquent tax payments, at a rate up to 25 percent of the tax due each fiscal year. Additionally, the City Council may assess interest at the rate of one percent per month on unpaid taxes and penalties.

The measure requires annual audits by the City Auditor, an independent financial auditor, and citizen oversight.

The annual financial cost to the City includes administering and collecting the tax required by the legislation and required oversight. We estimate this total annual cost to be approximately \$137,000.

Our independent analysis is based on the best information available at this time.