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Issued By: Superintendent Sean McPhetridge (510) 337-7060 and
Board President Gray Harris (510) 337-7187

Measure B1 Found Valid After Court Challenge

Alameda, Calif. — May 4, 2018 — Superior Court Judge Ioana Petrou has approved a stipulated judgment agreed to by the parties in a lawsuit that challenged the Alameda Unified School District's (AUSD) Measure B1 parcel tax. The stipulated judgment preserves all of the approximately \$12,000,000 in revenue that Measure B1 projects to generate for the district.

The tax, which is an extension of Measure A and goes into effect on July 1 of this year, was passed by 74.2% of Alameda voters in November 2016. Like Measure A, it will support a wide range of programs, including small class sizes, neighborhood schools, high school athletics, technology, and elementary music, PE, and media centers.

Under state law, parcel taxes need to be applied uniformly to all parcels of taxable property. Measure B1 taxes all parcels at a rate of \$0.32 per building square foot up to a cap of \$7999. The plaintiffs in the B1 lawsuit — Nelco, Inc., Santa Clara Investors II, and Edward Hirshberg — filed a lawsuit in December 2016 claiming that the parcel tax structure was not “uniform” because of the cap and because parcels without buildings would pay no tax.

The plaintiffs had argued a similar lack of uniformity in a lawsuit filed against Measure A soon after it was passed in 2011. AUSD won that case at the trial court level. Because Measure A was found valid, Judge Petrou found that Measure B1, which has a nearly identical structure, was also valid as an extension of Measure A. In order to bring Measure B1 into full alignment with Measure A, the stipulated judgment also requires that Measure B1 incorporate the \$299 tax on unimproved parcels provided for by Measure A.

In 2008, the plaintiffs filed suit against AUSD's Measure H lawsuit, also on grounds that its structure was not uniform. The district won that lawsuit at the trial court but lost at

the appellate court. The state Supreme Court refused to hear the case, and in 2015 the district issued Measure H refunds to those property owners who applied for them consistent with applicable law.

“I am relieved and heartened that Measure B1 has been found to be valid by Judge Petrou,” said Superintendent Sean McPhetridge. “In the course of our budget analyses this spring, the fact that the state simply doesn’t give us enough money to both provide high quality programs and retain and attract high quality employees has become abundantly clear to us. As such, AUSD remains highly dependent on its parcel taxes. I remain deeply grateful to the members of this island community for the consistent and generous support they give to the community’s schools.”

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