

March 16, 1998

Oxnard City Council
305 West Third Street
Oxnard, CA 93030

Attn: Daniel Martinez, City Clerk

Re: [City of Oxnard] Responses to Written Objections at the Joint Public Hearing for the Historic Enhancement and Revitalization of Oxnard (Comprehensive) Redevelopment Plan March 3, 1998. [Reference to pages 7 & 8 of 43 pages]

The statements issued by the city as described above have been reviewed by me in light of my 4 questions submitted on the HERO project. My objections to the responses are made as follows:

1. On the projected borrowing costs of principal and interest for the next 30 years of indebtedness, the city response was misleading, vague and defies basic mathematical calculations. The city's response estimates that only \$ 101 Million is needed to service \$ 440 Million in bonds for 30 years. A bond interest rate of 6% on \$ 440 Million comes out to \$ 26,400,000 per year; times 30 years is \$ 792 Million just for interest only. The city says the bonds can be serviced for no more than \$ 3.4 Million per year. I don't think so! Unless of course they only expect to borrow about \$ 60 Million instead of \$ 440 Million. If my math is wrong, please-someone show me where? The city understates the borrowing costs by some \$ 690 Million dollars!

2. The next question inquired of was the estimated "shortfall" that would result to the city general fund by diverting tax dollars away from needed city services to fund the Community Development Corporation (CDC) and most likely to also fund the Greater Oxnard Economic Development Corporation for redevelopment purposes. Both of these organizations are wrongly claimed by the city as "not part of the city" by reference to them as some form of private corporations or separate entities for which the city is not held financially responsible. This interpretation is more than questionable, as these entities are both funded by the city under the authority of the city but without necessary public accountability or compliance with the Brown Act. The response by the city totally fails to address this question.

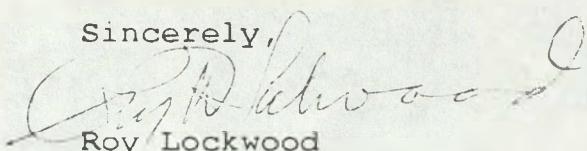
3. My third concern is that of the corrupt practice of awarding contracts to cronies of the city without extending the opportunities to all qualified parties who should submit competitive bids for cost savings and fairness. Privately awarded contracting only opens the floodgate of patronage and corrupt practices, and the effect of the city's response was to simply sweep this question under the "carpet" [for the lobbying carpetbaggers coming to the city only for taxpayer free money]. This response is an indication that the redevelopment funds will be parceled out with maximum favoritism only to the parties with patronage to the political system.

4. The city response does not specifically respond to alternatives that might reduce the need for city indebtedness under redevelopment practices. Proposals have been submitted to the city over the past few years that recommended other means of revitalization, such as Business Improvement Districts to finance a state sponsored Main Street program; plus it has become obvious from daily financial news that the financial equity markets are pouring money into private sector Real Estate Investment Trusts such as the Tiger Real Estate Fund that bought out Martin V. Smith's prime properties. Is the redevelopment plan merely a publicly financed subsidy for these people, or are they willing to invest private sector money instead? The city response fails to address any of these questions and gives the appearance of robbing the general fund to provide "boondogling" services to political favorites.

Further, it is also objectionable for employees of the police department to lobby for funds to convert the Oxnard High School into another bureaucratic "cash cow" so that police & other city employees can request more grants for extra pay, bonuses and retirement funding beyond the regular pay for police services or staff services. The response by the city that "only \$4.7 Million" is reserved for Redevelopment Agency administration and management is a "half truth" of deception.

Please be advised that it is my intention to refer this matter to the Legal Affairs Division of the Paul Gann's Citizens Committee to challenge the city on these illegal taxes and errant government actions. The bottom line on this kind of heavy debt is that it should require local voter approval and an honest debate of the merits of the debt.

Sincerely,



Roy Lockwood

cc: Local Press