

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ESTABLISHING THE FISCAL YEAR 2019-2020 PROPERTY TAX LEVY FOR THE CITY'S GENERAL OBLIGATION BOND INDEBTEDNESS

WHEREAS, an election was duly and regularly held in the City of San José (the "City") on November 7, 2000, at which there was submitted to the qualified electors of the City the proposition of whether bonds should be issued in the principal amount of not to exceed \$211,790,000 for the purpose of acquiring property for and constructing improvements to the neighborhood library facilities throughout the City (the "Libraries Proposition"), which proposition was entitled "San José Neighborhood Libraries Bond"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds; and

WHEREAS, an election was duly and regularly held in the City on November 7, 2000, at which there was submitted to the qualified electors of the City the proposition of whether bonds should be issued in the principal amount of not to exceed \$228,030,000 for the purpose of acquiring property for and constructing improvements to parks and recreation facilities (the "Parks Proposition"), which proposition was entitled "San José Safe Neighborhood Parks and Recreation Bond"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds; and

WHEREAS, an election was duly and regularly held in the City on March 5, 2002, at which there was submitted to the qualified electors of the City the proposition of whether bonds should be issued in the principal amount of not to exceed \$159,000,000 for the purpose of acquiring property for and constructing improvements in order to add and improve police and fire stations and training facilities and to create state of the art 911 communications facilities (the "Public Safety Proposition"), which proposition was entitled "San José 911, Fire, Police, Paramedic, and Neighborhood Security Act"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds; and

WHEREAS, an election was duly and regularly held in the City on November 6, 2018, at which there was submitted to the qualified electors of the City the proposition of whether bonds should be issued in the principal amount of not to exceed \$650,000,000 for the purpose of acquiring property for and constructing improvements in order to improve

emergency and disaster response, repair deteriorating bridges vulnerable to earthquakes, repave streets and potholes in the worst condition, prevent flooding and water contamination including the acquisition of land in the Coyote Valley for these purposes, and repair critical infrastructure (the “Infrastructure Proposition”), which proposition was entitled “San José Disaster Preparedness, Public Safety and Infrastructure Bond”; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds; and

WHEREAS, the City is empowered to issue general obligation bonds which are authorized by at least two-thirds of the qualified electors of the City pursuant to Chapter 14.28 of the San José Municipal Code; and

WHEREAS, pursuant to the Libraries Proposition, the Parks Proposition and the Public Safety Proposition, the City issued general obligation bonds in the total amount of \$589,590,000, of which \$323,110,000 was outstanding as of June 30, 2019, and with a remaining authorization of \$5,905,000 under the Libraries Proposition and \$3,325,000 under the Public Safety Proposition for a total remaining authorization of \$9,230,000; and

WHEREAS, the City is additionally empowered to issue general obligation refunding bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the “Refunding Law,” and together with Chapter 14.28 of the San Jose Municipal Code, the “Bond Law”) following a determination by the City Council of the City (the “Council”) that the prudent management of the fiscal affairs of the City require it to do so; and

WHEREAS, on July 25, 2019, pursuant to a resolution adopted by this Council on June 25, 2019 (the “2019 Authorizing Resolution”), the Infrastructure Proposition and the authorization contained in Chapter 14.28 of the San Jose Municipal Code, the City issued general obligation bonds, designated as (i) “City of San José General Obligation Bonds, Series 2019A-1 (Disaster Preparedness, Public Safety, and Infrastructure)” (the “Series 2019A-1 Bonds”), (ii) “City of San José Taxable General Obligation Bonds, Series 2019A-2 (Disaster Preparedness, Public Safety, and Infrastructure)” (the “Series 2019A-2 Bonds”), and (iii) “City of San José Taxable General Obligation Bonds, Series 2019B (Disaster Preparedness, Public Safety, and Infrastructure)” (the “Taxable Series 2019B Bonds”); and

WHEREAS, on July 25, 2019, pursuant to the 2019 Authorizing Resolution, the Libraries Proposition and the Public Safety Proposition, and the authorization contained in the Bond Law, the City issued general obligation bonds in the amount of the remaining authorization under the Libraries Proposition and the Public Safety Proposition, together with general obligation refunding bonds for the purpose of

refunding, on a current basis, all outstanding general obligation bonds previously issued pursuant to the Libraries Proposition, the Parks Proposition and the Public Safety Proposition designated as (i) "City of San José General Obligation Bonds, Series 2019C (Refunding, Libraries, Parks, and Public Safety Projects)" (the "Series 2019C Bonds") and (ii) "City of San José Taxable General Obligation Bonds, Series 2019D (Refunding, Libraries, Parks, and Public Safety Projects)" (the "Taxable Series 2019D Bonds"); and

WHEREAS, the Taxable Series 2019A-2 Bonds will be repaid in full on September 1, 2019 from the premium paid on the Series 2019A-1 Bonds; and

WHEREAS, the City is obligated to levy ad valorem taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxed at limited rates), for the payment of the debt service on the Series 2019A-1 Bonds, the Taxable Series 2019B Bonds, the Series 2019C Bonds and the Taxable Series 2019D Bonds (collectively, the "Series 2019 General Obligation Bonds);" and

WHEREAS, the City is obligated to direct the County of Santa Clara (the "County") to collect such ad valorem taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service on the Series 2019 General Obligation Bonds; and

WHEREAS, the amount of the annual ad valorem tax levied by the City to repay the Series 2019 General Obligation Bonds is determined by the relationship between the assessed valuation of taxable property in the City and the amount of debt service due on the Series 2019 General Obligation Bonds; and

WHEREAS, per the County's methodology, debt service on the Series 2019 General Obligation Bonds will not be paid from an ad valorem property tax levy on the unsecured property tax roll in Fiscal Year 2019-2020 because this is the first year in which the ad valorem property tax levy for the payment debt service on these bonds will be placed on the County's property tax roll;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. Pursuant to the provisions of Chapter 14.28 of the San José Municipal Code, an ad valorem property tax is hereby established to be levied on all land and improvements in the City of San José during Fiscal Year 2019-2020 in the amount of 0.02260 per \$100 in assessed value for the secured and utility tax roll set forth in the attached Exhibit A for the payment of the debt service on the Series 2019 General Obligation Bonds and the County's administrative fee.

2. The City's Director of Finance shall cause a certified copy of this Resolution to be delivered to the Auditor of the County for entry in the assessment book of the respective sums in dollars and cents, to be paid as established by this Resolution. The City's Director of Finance is authorized to adjust the amount of the ad valorem property tax levy for Fiscal Year 2019-2020 set forth in this Resolution, if necessary, to provide sufficient revenues for the payment of debt service on the Series 2019 General Obligation Bonds and to take the actions required to effectuate the adjustment in a timely manner.

ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

EXHIBIT A

The total debt service requirement for the Series 2019 General Obligation Bonds is \$43,520,092. This amount includes the County administrative fee estimated at \$108,529 which is approximately 0.25% of the principal and interest due on the Series 2019 General Obligation Bonds.

The secured tax and utility net assessed value for Fiscal Year 2019-2020 is \$186,562,604,708. After deducting funds held in the Bond Service Fund for the payment of debt service on the Series 2019 General Obligation Bonds, the net debt service on the Series 2019 General Obligation Bonds and the County administrative fee equals \$42.1 million, resulting in the tax rate for the secured and utility net assessed value for Fiscal Year 2019-20120 in the amount of 0.02260 per \$100 in assessed value.