

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$209,570,000, AUTHORIZING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, an election was duly and regularly held in the City of San José (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 to, among other things, improve emergency and disaster response, repair bridges, repave streets and potholes, prevent flooding and water contamination, including the acquisition of land in the Coyote Valley for these purposes, and repair critical infrastructure (“Measure T Projects”), which proposition was entitled “San José Disaster Preparedness, Public Safety and Infrastructure Bond” (“Measure T”); 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 (the “Act”); and

**WHEREAS**, pursuant to Measure T, the Act and a Fiscal Agent Agreement dated as of July 1, 2019, between the City and Wilmington Trust, National Association, as fiscal agent, the City previously issued general obligation bonds in the original aggregate principal amount of \$239,900,000 to finance Measure T Projects; and

**WHEREAS**, pursuant to Measure T, the Act and a Fiscal Agent Agreement dated as of July 1, 2021, between the City and Wilmington Trust, National Association, as fiscal agent, the City previously issued general obligation bonds in the original aggregate principal amount of \$200,530,000 to finance Measure T Projects; and

**WHEREAS**, as of the date hereof, the City is authorized to issue additional general obligation bonds pursuant to Measure T in the aggregate principal amount of \$209,570,000; and

**WHEREAS**, to provide moneys to finance additional Measure T Projects, the City has determined to issue additional general obligation bonds (the “2025 Bonds”), in one or more series or subseries, on a federally tax-exempt or taxable basis, pursuant to Measure T, the Act, and a Fiscal Agent Agreement (the “Fiscal Agent Agreement”) between the City and Wilmington Trust, National Association, as fiscal agent; and

**WHEREAS**, the 2025 Bonds will be sold by competitive sale pursuant to and in accordance with an Official Notice Inviting Bids (the “Official Notice Inviting Bids ”); and

**WHEREAS**, a form of the Preliminary Official Statement for the 2025 Bonds (the “Preliminary Official Statement”) has been prepared; and

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the 2025 Bonds, the underwriter or purchaser thereof must have reasonably determined that the City has undertaken in a written agreement or contract for the benefit of the holders of the 2025 Bonds to provide disclosure of certain financial information and certain events on an ongoing basis; and

**WHEREAS**, to cause such requirement to be satisfied, the City desires to execute and deliver a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”); and

**WHEREAS**, the Council has duly considered such transaction and desires at this time to approve said transaction and the documents and actions related thereto; and

**WHEREAS**, pursuant to Section 5852.1 of the California Government Code, certain financial information relating to the 2025 Bonds is attached hereto as Appendix A, and such information has been disclosed and made public; and

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

**SECTION 1. Findings and Determinations.** The Council finds and determines that the foregoing recitals are true and correct. The Council further finds and determines that the maturity dates for the 2025 Bonds and the principal amount of the 2025 Bonds coming due on each maturity date shall be determined as permitted by the Act.

**SECTION 2. Approval of 2025 Bonds.** Subject to the provisions of the Fiscal Agent Agreement, the 2025 Bonds, in one or more series or subseries, on a federally taxable or tax-exempt basis, and in an aggregate principal amount not to exceed \$209,570,000, are hereby authorized to be issued by the City under and subject to the terms of the Act and the Fiscal Agent Agreement for the purpose of financing Measure T Projects, and paying certain legal, financial and other costs of issuance in connection therewith. The 2025 Bonds may be issued as a single issue, and in separate series of federally taxable or tax-exempt bonds, as the City shall determine. The 2025 Bonds shall be designated as “City of San José General Obligation Bonds, Series 2025,” or as otherwise designated by the City, and each series or subseries of 2025 Bonds shall bear such additional designation as may be ascribed thereto in the Fiscal Agent Agreement. The 2025 Bonds will be dated, will bear interest

at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Fiscal Agent Agreement, as the same will be completed as provided in this Resolution.

**SECTION 3. Approval of Fiscal Agent Agreement.** The form of Fiscal Agent Agreement, in substantially the form posted to the agenda webpage for this meeting, is hereby approved. The City Manager, the Director of Finance, the Assistant Director of Finance and the Deputy Director of Finance responsible for managing the City's debt program (each an "Authorized Officer" and, collectively, the "Authorized Officers") are, and each of them is, hereby authorized for and in the name and on behalf of the City, to execute and deliver the Fiscal Agent Agreement, in substantially said form, with such changes, insertions and omissions therein (including the insertion of the maturity dates, principal amounts and interest rates of the 2025 Bonds) as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The selection of Wilmington Trust, National Association, as fiscal agent for the 2025 Bonds, is hereby ratified and approved.

The form of the 2025 Bonds set forth in the Fiscal Agent Agreement is hereby approved, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and attest each of the 2025 Bonds on behalf of the City, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2025 Bonds on behalf of the City. In case either of such officers whose signature appears on the 2025 Bonds shall cease to be such officer before the delivery of the 2025 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2025 Bonds.

**SECTION 4. Approval of Sale and Issuance of 2025 Bonds.** The Council hereby authorizes the sale of the 2025 Bonds by competitive sale pursuant to the Official Notice Inviting Bids. The form of Official Notice Inviting Bids, in substantially the form posted to the agenda webpage for this meeting, is hereby approved. The Authorized Officers are each, acting alone, authorized and directed to distribute the Official Notice Inviting Bids to potential bidders for the 2025 Bonds in substantially said form, with such changes, insertions and omissions therein as any Authorized Officer may require or approve upon consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the distribution thereof, and the Authorized Officers are each, acting alone, authorized and directed to sell the 2025 Bonds by competitive sale in accordance with the terms thereof; *provided, however*, that (a) the true interest cost of the 2025 Bonds shall not exceed 8.0% per annum, (b) the aggregate combined principal amount of the 2025 Bonds shall not exceed \$209,570,000, and (c) the final maturity date of the 2025 Bonds shall not be more than 40 years from the date of issuance. The Council hereby further ratifies and approves the publication by the City of a notice of intention to sell the 2025 Bonds as required by Section 53692 of the California Government Code. The Authorized Officers are each, acting alone, authorized and directed to evidence the City's acceptance of an offer to purchase the 2025 Bonds following competitive biddings pursuant to the Official Notice Inviting Bids .

**SECTION 5. Approval of Official Statement.** The form of Preliminary Official Statement, in substantially the form posted to the agenda webpage for this meeting, with such changes, insertions and omissions therein as may be approved by an Authorized Officer upon consultation with the City Attorney, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the 2025 Bonds is hereby authorized and approved. The Authorized Officers are each, acting alone, hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Authorized Officers are each, acting alone, hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the 2025 Bonds a reasonable number of copies of the Preliminary Official Statement.

The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the 2025 Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required or approved by an Authorized Officer upon consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the City.

**SECTION 6. Approval of Continuing Disclosure Certificate.** The Continuing Disclosure Certificate, in substantially the form attached as an appendix to the Preliminary Official Statement posted to the agenda webpage for this meeting, is hereby approved, and the Authorized Officers are each, acting alone, hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 7. Declaration of Official Intent.** The City declares its intention to issue the 2025 Bonds in a principal amount not to exceed \$209,570,000, the proceeds of which will be used to pay for the costs of Measure T Projects (and related issuance costs), including the reimbursement to the City for certain capital expenditures relating to Measure T Projects made prior to the issuance of the 2025 Bonds from legally available moneys of the City, including moneys in the General Fund. This Resolution is intended as a declaration of official intent ("Declaration") to reimburse in accordance with the requirements of Treasury Regulation Section 1.150-2. This Declaration is not being declared as a matter of course or in amounts substantially in excess of the amounts expected to be necessary costs of Measure T Projects.

**SECTION 8. Miscellaneous.** The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the transactions described herein or to otherwise effectuate the purposes of this Resolution, including (i) determining the amount of 2025 Bonds to be issued, (ii) executing a custody agreement with the Fiscal Agent relating to the deposit and investment of the good faith deposit prior to the issuance and delivery of the 2025 Bonds, and

(iii) executing all certificates, agreements, representations and opinions, as may be acceptable to the City Attorney, including the letter of representations to the bond depository, insurance, reimbursement and financial guaranty agreements with municipal bond insurers, signature certificates, no-litigation certificates, tax certificates, and other certificates proposed to be delivered in connection with the execution and delivery of the Fiscal Agent Agreement, and the sale of the 2025 Bonds. Any such actions previously taken by such officers are hereby ratified and confirmed. Any authority delegated under this Resolution to a specified official (including officials acting in these positions on an interim basis) may also be exercised by the specified official's authorized designee.

**SECTION 9. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any remaining provisions hereof.

**SECTION 10. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

\_\_\_\_\_  
MATT MAHAN  
Mayor

ATTEST:

\_\_\_\_\_  
TONI J. TABER, MMC  
City Clerk

## APPENDIX A

### REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the 2025 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Public Resources Advisory Group, the City's Municipal Advisor.

*Principal Amount.* The Municipal Advisor has informed the City that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2025 Bonds to be sold is \$209,570,000 (the "Estimated Principal Amount").

*True Interest Cost of the 2025 Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2025 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2025 Bonds, is 4.52%.

*Finance Charge of the 2025 Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2025 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2025 Bonds), is \$1,378,710. Such fees and charges include, but are not limited to, fees for bond and disclosure counsel, municipal advisor, and rating agencies.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Bonds is sold and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received from the sale of the 2025 Bonds, less the finance charge of the 2025 Bonds and capitalized interest, as estimated above, is \$209,570,000.

*Total Payment Amount.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments to pay debt service on the 2025 Bonds, plus the finance charge for the 2025 Bonds, as described above, not paid with the proceeds of the 2025 Bonds, calculated to the final maturity of the 2025 Bonds, is \$389,998,375.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2025 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2025 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2025 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2025 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market

interest rates at the time of sale of the 2025 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the 2025 Bonds and the actual principal amount of 2025 Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2025 Bonds and other factors. The actual interest rates borne by the 2025 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2025 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.