

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

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING AND APPROVING THE ISSUANCE AND SALE BY THE CITY OF SAN JOSE FINANCING AUTHORITY OF LEASE REVENUE BONDS, SERIES 2025A IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$53,000,000 TO FINANCE AND REFINANCE CERTAIN PUBLIC CAPITAL IMPROVEMENTS OF THE CITY, APPROVING, AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A SITE LEASE, A LEASE AGREEMENT, AND CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City of San José (the “City”) and the Redevelopment Agency of the City of San José (the “Former Agency”) have heretofore entered into a Joint Exercise of Powers Agreement establishing the City of San José Financing Authority (the “Authority”) for the purpose, among others, of having the Authority issue its bonds to finance and refinance the acquisition, construction and improvement of certain public capital improvements; and

**WHEREAS**, the Former Agency, as of February 1, 2012, has been dissolved and the City has become the successor agency of the Former Agency pursuant to Part 1.85 of Division 24 of the California Health and Safety Code and per California Health and Safety Code Section 34178(b)(3), the Joint Exercise of Powers Agreement establishing the Authority remains in effect; and

**WHEREAS**, pursuant to Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to lease and sublease lands, structures, real or personal property, and other interests in lands that are located within the State of California that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof; and

**WHEREAS**, the Authority previously issued its City of San José Financing Authority Lease Revenue Refunding Bonds, Series 2013B (Civic Center Garage Project) in the original aggregate principal amount of \$30,445,000 (the “2013B Bonds”), to refund the then outstanding City of San José Financing Authority Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project) issued to refinance a parking garage owned and operated by the City (the “Civic Center Garage Project”); and

**WHEREAS**, the Authority previously issued its Tax-Exempt Lease Revenue Commercial Paper Notes, Series 1 (as refinanced from time to time with subsequent commercial paper notes, the “Muni Water Building Project Commercial Paper Notes”) to finance, on an interim basis, the construction of a new Administration and Operations Building, and the acquisition, construction and

installation of related capital improvements, for the Water Resources Division, located at 3025 Tuers Road in the City of San José (collectively, the “Muni Water Building Project”); and

**WHEREAS**, the outstanding 2013B Bonds are subject to optional redemption prior to maturity on any date at a redemption price equal to the principal amount of 2013B Bonds to be redeemed plus accrued but unpaid interest to the redemption date, without premium; and

**WHEREAS**, the outstanding Muni Water Building Project Commercial Paper Notes may be refinanced at maturity; and

**WHEREAS**, the City desires to finance remaining costs to complete the Muni Water Building Project; and

**WHEREAS**, the Authority and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of lease revenue bonds (the “2025A Bonds”), in one or more series or subseries, on a federally tax-exempt or taxable basis, for the purpose of (i) financing remaining costs to complete the Muni Water Building Project, and (ii) refunding all or a portion of the outstanding 2013B Bonds and the outstanding Muni Water Building Project Commercial Paper Notes; and

**WHEREAS**, to facilitate the issuance of the 2025A Bonds, the City and the Authority desire to enter into a Site Lease between the City and the Authority (the “Site Lease”) pursuant to which the City will lease certain real property, which real property shall initially consist of the Muni Water Building Project and one or more other properties that are owned by the City (collectively, the “Leased Property”), to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Property back from the Authority, and pay certain Lease Payments (as defined in the hereinafter defined Indenture) which will be pledged to the owners of the 2025A Bonds by the Authority pursuant to an Indenture of Trust by and between Wilmington Trust, National Association, as trustee (the “Trustee”), and the Authority (the “Indenture”); and

**WHEREAS**, the Authority will issue the 2025A Bonds pursuant to the Act; and

**WHEREAS**, the 2025A 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 2025A 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 2025A 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 2025A 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 City has, prior to the consideration of this Resolution, held a public hearing on (i) the financing remaining costs to complete the Muni Water Building Project, and (ii) the refinancing of the Civic Center Garage Project costs and the Muni Water Building Project costs financed with the Muni Water Building Project Commercial Paper Notes through the refunding of all or a portion of the outstanding 2013B Bonds and Muni Water Building Project Commercial Paper Notes, in each case through the issuance of the 2025A Bonds in accordance with Section 6586.5 of the Act, which hearing was held in the Council chambers located 200 East Santa Clara Street, San José, California, on June 17, 2025; and

**WHEREAS**, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in an adjudicated local newspaper of general circulation in the City; and

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

**WHEREAS**, the City's Debt Management Policy and Section 4.34.200 of the City's Municipal Code require the affirmative vote of two-thirds of the members of the City Council (8 votes) to approve the issuance of the 2025A Bonds; and

**WHEREAS**, the Council has duly considered such transactions and wishes at this time to approve said transactions in the public interest of the City;

**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 has duly noticed and held a public hearing with respect to the approval by the Council of the financing and refinancing to be undertaken by the Authority for the City pursuant to the issuance and delivery of the 2025A Bonds to (i) finance remaining costs to complete the Muni Water Building Project, and (ii) refinancing the Civic Center Garage Project and the Muni Water Building Project through the refunding of all or a portion of the outstanding 2013B Bonds and the Muni Water Building Project Commercial Paper Notes, and with respect to the significant public benefit to the City of such financing in accordance with the criteria specified in Section 6586 of the California Government Code. Based on the information provided to the Council, the Council approves the financing and refinancing to be provided by the issuance and delivery of the 2025A Bonds, and the Council further determines that there will be significant public benefits accruing from such financing and refinancing within the meaning of said Section 6586, consisting of, among other things, reduced financing costs.

**SECTION 2. Approval of 2025A Bonds.** The issuance by the Authority of the 2025A 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 \$53,000,000, and the sale of the 2025A Bonds by competitive sale pursuant to the Official Notice Inviting Bids and the form thereof 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 2025A Bonds in substantially said form, with such changes, insertions and omissions therein as an Authorized Officer

may require or approve upon consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the distribution thereof.

**SECTION 3. Approval of Lease Documents.** The Site Lease and the Lease Agreement in the forms posted to the agenda webpage for this meeting are 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, and each of their authorized designees (each an "Authorized Officer" and, collectively, 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 Site Lease and the Lease Agreement in substantially said forms, 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; *provided, however*, that the true interest cost of the Lease Payments shall not exceed 8.0% per annum. In the event that it is determined by an Authorized Officer that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the real property that is described in this Resolution as the initial Leased Property, or that other City-owned property would be more appropriate to use as Leased Property under the Site Lease and the Lease Agreement, the Authorized Officers, are each, acting alone, hereby expressly authorized to designate other or additional real property of the City to be leased or subleased pursuant to the Site Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Site Lease and Lease Agreement by an Authorized Officer.

**SECTION 4. 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 2025A 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 2025A 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 2025A 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 approved by an Authorized Officer upon consultation with the City Attorney, such 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 5. 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 6. Miscellaneous.** The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including 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 Indenture, and the sale of the 2025A Bonds. Specifically and without limiting the foregoing, any Authorized Officer is authorized and directed to (i) amend and/or terminate any of the legal documents entered into in connection with the 2013B Bonds or any other bonds of the Authority or the City in connection with the issuance of the 2025A Bonds, (ii) to execute and deliver irrevocable refunding instructions and to enter into escrow agreements in connection with the refunding of the 2013B Bonds and the Muni Water Building Project Commercial Paper Notes, and (iii) to solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the 2025A Bonds, provided such officer determines acceptance of the best bid will result in lower overall debt service or lower interest cost, and appropriate changes to each of the documents referenced herein to evidence such bond insurance, and, if applicable, a reserve account insurance policy, and the terms thereof, are hereby authorized and approved. Anything to the contrary herein notwithstanding, in the event the City Manager or the Director of Finance determines in consultation with the City's municipal advisor that the cost-efficient marketing of the 2025A Bonds requires creation of a funded reserve under the Indenture, each of the Lease Agreement and the other documents approved herein may be revised to reflect the funding of such a reserve. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

**SECTION 7. 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 8. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

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

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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

ATTEST:

\_\_\_\_\_  
TONI J. TABER, CMC  
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 2025A 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 2025A Bonds to be sold is \$48,325,000 (the "Estimated Principal Amount").

*True Interest Cost of the 2025A Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025A 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 2025A 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 2025A Bonds, is 4.4%.

*Finance Charge of the 2025A Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025A 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 2025A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2025A Bonds), is \$743,597. 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 2025A 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 2025A Bonds, less the finance charge of the 2025A Bonds, as estimated above, is \$50,897,442.

*Total Payment Amount.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2025A 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 2025A Bonds, plus the finance charge for the 2025A Bonds, as described above, not paid with the proceeds of the 2025A Bonds, calculated to the final maturity of the 2025A Bonds, is \$84,220,997.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2025A 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 2025A Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2025A Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2025A 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 2025A 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 2025A Bonds and the actual principal amount of 2025A Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2025A Bonds and other factors. The actual interest rates borne by the 2025A Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2025A 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.