

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE  
DISSOLVING COMMUNITY DISTRICT NO. 5A (NORTH  
COYOTE VALLEY FACILITIES) AND AUTHORIZING  
OTHER ACTIONS RELATED TO ITS DISSOLUTION**

**WHEREAS**, this Ordinance was found to be categorically exempt from environmental review per the provisions of Section 15061(b)(3) of the California Environmental Quality Act of 1970, as amended, under File No. ER-19-064; and

**WHEREAS**, the Council of the City of San José (alternatively, the “City Council”) previously conducted proceedings under and pursuant to the San José City Charter and Chapter 14.27 of the San José Municipal Code, which incorporates and modifies the Mello-Roos Community Facilities Act of 1982, as amended (collectively, the “Act”), to form Community Facilities District No. 5A (North Coyote Valley Facilities) (“CFD 5A”), to authorize the levy of special taxes upon the land within CFD 5A pursuant to Ordinance No. 26420, the proceeds of which were to be used to finance certain public improvements (the “Facilities”), all as described in those proceedings; and

**WHEREAS**, pursuant to such proceedings, the Notice of Special Tax Lien was recorded in the office of the Santa Clara County Recorder on July 5, 2001 as Document No. 15757636 and as subsequently modified by Document No. 15800018 recorded on July 31, 2001 (collectively, the “Notice of Special Tax Lien”) to give notice of the lien securing the obligation to pay special taxes to owners of all non-exempt property in CFD 5A; and

**WHEREAS**, at an election duly and regularly held in the City on November 6, 2018, the voters, by more than the required two-thirds vote, approved Measure T, entitled: “San José Disaster Preparedness, Public Safety and Infrastructure Bond” (“Measure T”) which authorizes the City to issue general obligation bonds 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; and

**WHEREAS**, on July 25, 2019, pursuant to Resolution No. 79194, adopted by the City Council on June 25, 2019, the City issued its first series of general obligation bonds authorized under Measure T in the principal amount of \$239,900,000 (“Measure T Bonds”) with \$50 million of the Measure T Bonds issued as taxable bonds and allocated by the City Council for the acquisition of land in the Coyote Valley for preventing flooding and water contamination; and

**WHEREAS**, the City has been working with the Santa Clara Valley Open Space Authority (“OSA”) and the Peninsula Open Space Trust (“POST”) to acquire land in the Coyote Valley for the purposes specified in Measure T and conservation purposes; and

**WHEREAS**, on this date, the City Council approved the Coyote Valley Master Transfer and Conservation Agreement by and among POST, the City and OSA (the “Master Transfer Agreement”), specifying the rights and obligations of the parties related to, among other things, the acquisition of real property located in the Coyote Valley including approximately 596 acres owned by parties associated with Brandenburg Properties (the “Brandenburg Property”) and the acquisition of approximately 100 acres owned by parties associated with the Sobrato Organization (the “Sobrato North Property”); and

**WHEREAS**, on this date, the Council approved separate agreements for the purchase of the Brandenburg Property and the Sobrato North Property with proceeds of Measure T Bonds; and

**WHEREAS**, following City's acquisition of the Brandenburg Property and the Sobrato North Property, the City will maintain ownership of a portion of the Brandenburg Property subject to a conservation easement in favor of the OSA and will transfer the Sobrato North Property to POST pending acquisition by OSA; and

**WHEREAS**, the Brandenburg Property and the Sobrato North Property are located in CFD 5A and are subject to payment of the special tax as specified in the Notice of Special Tax Lien; and

**WHEREAS**, as the Brandenburg Property and the Sobrato North Property will not be developed, and will instead be held as open space and used to prevent flooding and water contamination, the City Council on this date adopted an ordinance to repeal Ordinance No. 26420 in order to facilitate acquisition of these properties, which ordinance will become operative on the date on which the sale of the Brandenburg Property and the Sobrato North Property have closed (the "Operative Date");

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

**SECTION 1.** The City Council finds that the recitation of facts set forth in the recitals are true and correct. The City Council further finds that (i) the City has no obligation to pay any outstanding debt with respect to CFD 5A and (ii) as of the Operative Date, the City will have no authority to levy special taxes in CFD 5A.

**SECTION 2.** The City Council hereby dissolves CFD 5A. Regardless of the effective date of this Ordinance, the dissolution of CFD 5A will become operative no sooner than the Operative Date. On or promptly following the Operative Date, the City Manager or the City Manager's authorized designee is directed to transmit to the City Clerk and to the Director of Public Works, a memorandum substantially in the form attached to this

Ordinance as Exhibit A notifying them of the Operative Date, which memorandum shall be filed with this Ordinance in the records of the City Clerk.

**SECTION 3.** In accordance with California Government Code Section 53330.5, the City Council directs that promptly following the effective date of this Ordinance but no sooner than Operative Date, the City Clerk shall execute and the Director of Public Works shall record an addendum to the Notice of Special Tax Lien in the office of the Santa Clara County Recorder stating that CFD 5A is dissolved and the obligation to pay the special tax have ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

**SECTION 4.** The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and, following consultation with the City Attorney, 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 Ordinance. Any such actions previously taken by such officers are hereby ratified and confirmed.

**SECTION 5.** If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any remaining provisions hereof.

RD:DMK  
9/15/2019

PASSED FOR PUBLICATION of title this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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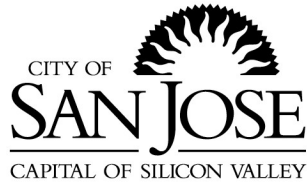
SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk

**EXHIBIT A  
FORM OF OPERATIVE DATE NOTIFICATION**



*Memorandum*

**TO:** Toni J. Taber, CMC  
City Clerk

**FROM:** David Sykes  
City Manager

Matt Cano, Director of Public  
Works

Or Authorized Designee

**SUBJECT:** Notification of Operative Date  
Per Ordinance No. \_\_\_\_\_

**DATE:**

Pursuant to Section 2 of Ordinance No. \_\_\_\_\_, entitled: "An Ordinance of the City of San José Dissolving Community Facilities District No. 5A (North Coyote Valley Facilities) and Authorizing Other Actions Related to its Dissolution" (the "Ordinance"), this memorandum is to notify you that the Operative Date referenced in the Ordinance is [DATE], which date is the date on which the sale of the Brandenburg Property and the Sobrato North Property have closed.

Pursuant to Section 2 of the Ordinance, this memorandum shall be filed with the Ordinance in the records of the City Clerk.

Capitalized terms in this memorandum that are not defined in this memorandum are defined in the Ordinance.

SIGNATURE BLOCK OF  
CITY MANAGER OR  
AUTHORIZED DESIGNEE

cc: Thomas Borden  
Danielle Kenealey