

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE LOAN IN THE AMOUNT OF \$2,000,000 FROM THE CONSTRUCTION AND CONVEYANCE TAX FUND: CITY-WIDE PARKS PURPOSES TO THE COUNCIL DISTRICT 5 CONSTRUCTION AND CONVEYANCE TAX FUND FOR THE CONSTRUCTION OF THE ALL-INCLUSIVE PLAYGROUND – EMMA PRUSCH PARK

WHEREAS, the All-Inclusive Playground – Emma Prusch Park (“Playground”) is a proposed playground which will provide people of all abilities the opportunity to learn and play, located at Emma Prusch Park in Council District No. 5; and

WHEREAS, the City has been awarded a \$2,000,000 grant from the County of Santa Clara All-Inclusive Playground Grant Program that will reimburse costs expended for the Playground; and

WHEREAS, it is recommended that an interfund loan be approved, in accordance with City Council Policy 1-18 (“Interfund Loan Policy”), in the amount of \$2,000,000 to provide temporary funding for the construction of the Playground; and

WHEREAS, the interfund loan will be transferred from the Construction and Conveyance Tax Fund: City-wide Parks Purposes to Council District No. 5 Construction and Conveyance Tax Fund, which loan will be repaid upon receipt of grant reimbursements, on or before June 30, 2022, and will include the principal plus interest at a rate equal to the investment earnings of the monthly investment factor;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT a loan is approved, consistent with the Interfund Loan Policy, in the amount of \$2,000,000 from the Construction and Conveyance Tax Fund: City-wide

Parks Purposes to the Council District No. 5 Construction and Conveyance Tax Fund for the construction of the All-Inclusive Playground – Emma Prusch Park with the following terms:

- A. The Council District No. 5 Construction and Conveyance Tax Fund shall pay interest at a rate equal to the investment earnings of the of the monthly investment factor;
- B. The loan shall be fully due and payable on June 30, 2022;
- C. The loan shall be repaid with grant reimbursements from the County of Santa Clara All-Inclusive Playground Grant Program;
- D. All grant reimbursements received by the City from the County of Santa Clara for the construction of the All-Inclusive Playground – Emma Prusch Park shall be allocated to the repayment of the loan until it is fully repaid;
- E. In the event that a shortfall arises in the Council District No. 5 Construction and Conveyance Tax Fund, another eligible source of revenue shall fully repay the loan;
- F. The loan shall be immediately due and payable if needed by the Construction and Conveyance Tax Fund: City-wide Parks Purposes to fund any eligible project; and
- G. A final balloon payment shall be required if the loan has not been fully repaid from the grant reimbursements by June 30, 2022.

RD:JAC:LCP
6/1/2018

ADOPTED this ____ day of _____ 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk