



CITY OF SAN JOSE - 2017 STORM PROJECTS

February 13, 2018

San José City Council Agenda

Item 3.6 - 2017 Flood Recovery Construction Projects

Joint San José City Council/Financing Authority Agenda

Item 2 - Commercial Paper Notes for the Flood Recovery Const. Projects

Presentation Overview

- 2017 Storm/Flood Damages
- Presidential Declaration of Disaster
- Current Status of Projects
- Fiscal Impact
- Commercial Paper Loan
- Recommendations

2017 Storm Damages - Roads

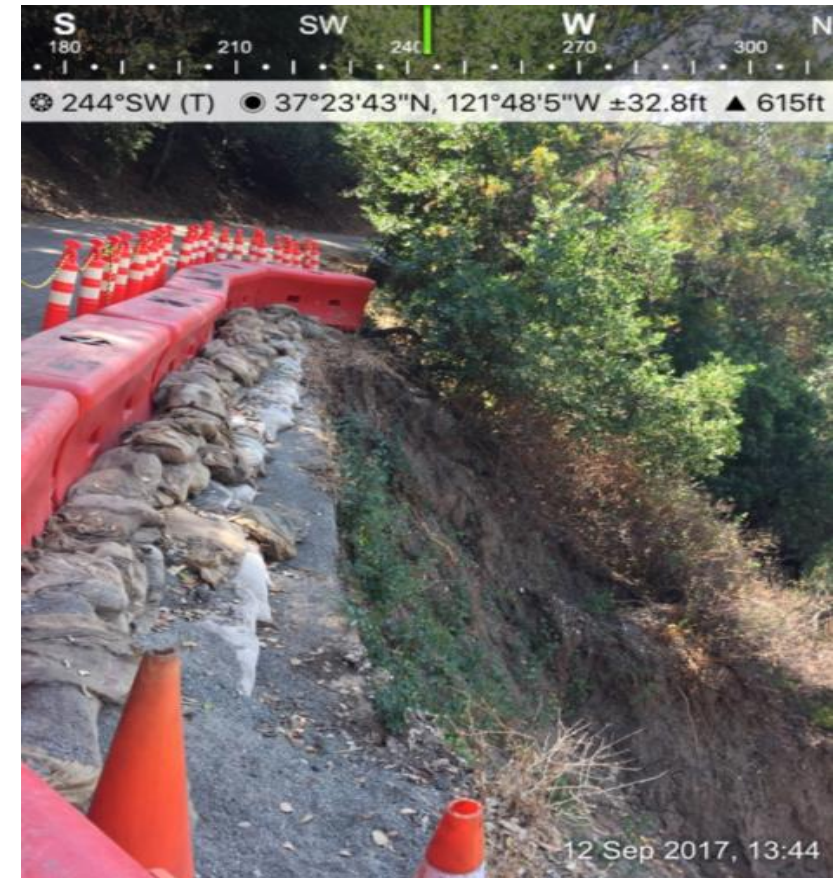
Alum Rock - Falls Road



Sierra Road



Alum Rock - Service Road



2017 Storm Damages - Facilities

Tent and Deck at Family Camp



Visitors Center at Alum Rock Park



2017 Storm Damages: Happy Hollow Park & Zoo - Lower Zoo, and Japanese Friendship Garden - Tea House



2017 Storm Damages - Amenities

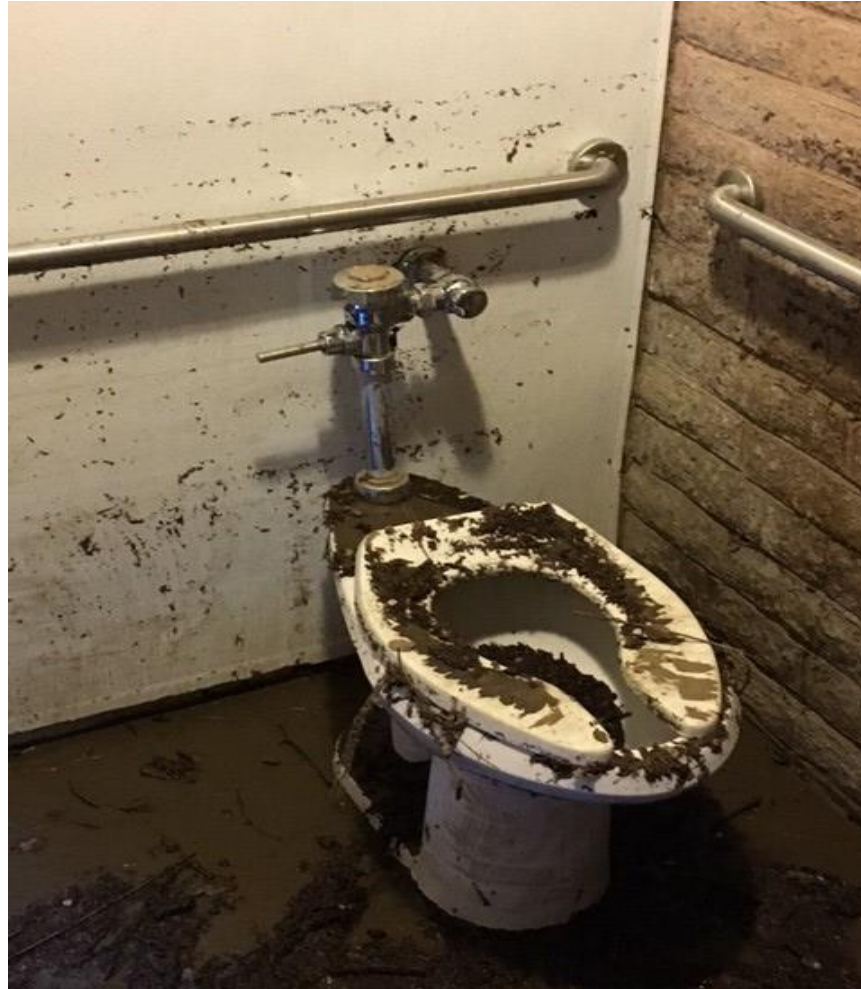
Artificial Turf Soccer Field at Watson Park



Restroom at Alum Rock Park



2017 Storm Damages – Lower Zoo - Restrooms



Presidential Declaration of Disaster

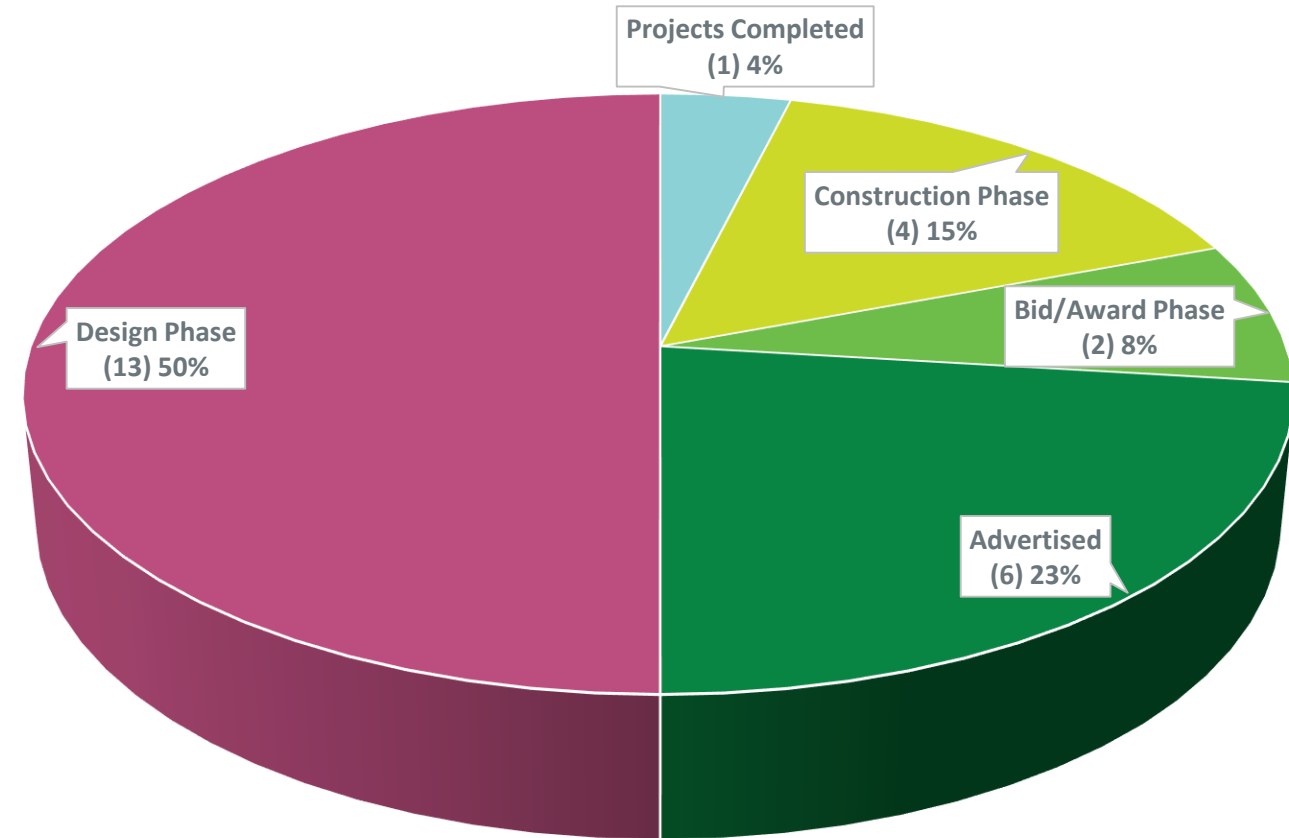
- April 01, 2017
- Eligibility for the FEMA Public Assistance Program
 - FEMA pays for 75% of the eligible recovery cost
 - CALOES pays for 18.75%
 - City covers the remaining 6.25%
- Insurance – first level of reimbursement

Challenges

- FEMA rules and regulations
- Work to be completed
 - ☐ Categories A and B within 6 months
 - ☐ Categories C thru G within 18 months
- Staffing changes within FEMA/CALOES

Current Status

- 26 Restoration Projects
- Approximately \$27M
- Flood Projects Priority
- FEMA procurement rules



Fiscal Impact by Capital Fund

Capital Fund	Total Project Cost	Total Interest and LOC Cost	Fiscal Impact (after all reimbursements)
Parks C&C	\$ 23,396,000	\$ 1,233,000	\$ 7,272,000
Construction Excise Tax	3,777,000	N/A	2,266,000
Sanitary Sewer Capital	427,000	N/A	171,000
Storm Sewer Capital	227,000	N/A	90,000
TOTAL	\$ 27,827,000	\$ 1,233,000	\$ 9,799,000

Commercial Paper Overview

- Short-term financing mechanism with a fixed maturity of up to 270 days
- Maturing notes are either paid in full (principal and interest) or “rolled” to another maturity date
 - Letters of credit – currently extends through November 2018
- Variable interest rate
- Security
 - General Fund
 - Pledged assets
- Benefits
- Risks

Why use CP for this project?

- Provide funds for the flood recovery construction projects in time to seek reimbursement from FEMA and CalOES before the September 2018 deadline
- Cost-effective way to obtain capital markets funding quickly
- Longer term funding would have been more expensive, taken more time
- Flexibility of CP will accommodate variances in revenues/reimbursements

City Council Recommendations

- Accept the status report on the 2017 flood recovery projects;
- Adopt Appropriation Ordinance and Funding Sources Resolution amendments as detailed in Attachment A;
- Conduct a public hearing concerning the approval of the issuance by the City of San José Financing Authority of commercial paper notes in order to finance certain public capital improvements of the City, consisting of flood recovery and construction for parks and community facilities.

City Council Recommendations

- That the City of San José Financing Authority Board adopt a resolution to approve the issuance of City of San José Financing Authority Commercial Paper Notes to provide financing for the flood recovery construction projects in an amount not to exceed \$21 million.

City Council and Financing Authority Recommendations

- Adopt resolution of City Council approving the issuance of up to \$21 million of Commercial Paper Notes and stating the City Council's determination that there will be significant public benefit from such financing
- Adopt resolution of the City of San José Financing Authority Board approving the issuance of up to \$21 million of Commercial Paper Notes



Questions and Discussion