RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION REFUNDING BONDS, AUTHORIZING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND CERTAIN OTHER RELATED DOCUMENTS, AND AUTHORIZING ACTIONS RELATED THERETO

WHEREAS, an election was duly and regularly held in the City of San José (the "City") on November 7, 2000, 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 $211,790,000 for the purpose of acquiring property for and constructing improvements to the neighborhood library facilities throughout the City (the "Libraries Proposition"), which proposition was entitled "San José Neighborhood Libraries Bond"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds (the "Libraries Bonds"); and

WHEREAS, an election was duly and regularly held in the City on November 7, 2000, 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 $228,030,000 for the purpose of acquiring property for and constructing improvements to parks and recreation facilities (the "Parks Proposition"), which proposition was entitled "San José Safe Neighborhood Parks and Recreation Bond"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds (the "Parks Bonds"); and

WHEREAS, an election was duly and regularly held in the City on March 5, 2002, 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 $159,000,000 for the purpose of acquiring property for and constructing improvements in order to add and improve police and fire stations and training facilities and to create state of the art 911 communications facilities (the "Public Safety Proposition"), which proposition was entitled "San José 911, Fire, Police, Paramedic, and Neighborhood Security Act"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds (the "Public Safety Bonds"); and

WHEREAS, an election was duly and regularly held in 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 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 (the

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"Infrastructure Proposition"), which proposition was entitled "San José Disaster Preparedness, Public Safety and Infrastructure Bond"; and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds (the "Infrastructure 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 the authorizations received at the November 7, 2000 election and the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of June 1, 2001 in a principal amount equal to $71,000,000, with $31,000,000 of such bonds constituting Libraries Bonds issued pursuant to the Libraries Proposition and $40,000,000 of such bonds constituting Parks Bonds issued pursuant to the Parks Proposition; and

WHEREAS, pursuant to the authorizations received at the November 7, 2000 election and the March 5, 2002 election, and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of July 1, 2002 in a principal amount equal to $116,090,000, with $30,000,000 of such bonds constituting Libraries Bonds issued pursuant to the Libraries Proposition, $46,715,000 of such bonds constituting Parks Bonds issued pursuant to the Parks Proposition and $39,375,000 of such bonds constituting Public Safety Bonds issued pursuant to the Public Safety Proposition; and

WHEREAS, pursuant to the authorizations received at the November 7, 2000 election and the March 5, 2002 election, and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of July 1, 2004, in a principal amount equal to $118,700,000, with $58,300,000 of such bonds constituting Libraries Bonds issued pursuant to the Libraries Proposition, $46,000,000 of such bonds constituting Parks Bonds issued pursuant to the Parks Proposition and $14,400,000 of such bonds constituting Public Safety Bonds issued pursuant to the Public Safety Proposition; and

WHEREAS, pursuant to the authorization for Libraries Bonds received at the November 7, 2000 election and the authorization received at the March 5, 2002 election, and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of June 1, 2005, in a principal amount equal to $46,300,000, with $21,300,000 of such bonds constituting Libraries Bonds issued pursuant to the Libraries Proposition and $25,000,000 of such bonds constituting Public Safety Bonds issued pursuant to the Public Safety Proposition; and

WHEREAS, pursuant to the authorizations received at the November 7, 2000 election and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of June 1, 2006, in a principal amount equal to $105,400,000, with $60,000,000 of such bonds constituting Libraries Bonds issued

pursuant to the Libraries Proposition and $45,400,000 of such bonds constituting Parks Bonds issued pursuant to the Parks Proposition; and

WHEREAS, pursuant to the authorization for Parks Bonds received at the November 7, 2000 election and the authorization received at the March 5, 2002 election, and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of June 1, 2007, in a principal amount equal to $90,000,000, with $22,100,000 of such bonds constituting Parks Bonds issued pursuant to the Parks Proposition, and $67,900,000 of such bonds constituting Public Safety Bonds issued pursuant to the Public Safety Proposition; and

WHEREAS, pursuant to the authorizations received at the November 7, 2000 election and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of June 1, 2008, in a principal amount equal to $33,100,000, with $5,285,000 of such bonds constituting Libraries Bonds issued pursuant to the Libraries Proposition and $27,815,000 of such bonds constituting Parks Bonds issued pursuant to the Parks Proposition; and

WHEREAS, pursuant to the authorization received at the March 5, 2002 election and the authorization contained in the Act, the City has heretofore issued general obligation bonds pursuant to a fiscal agent agreement dated as of June 1, 2009, in a principal amount equal to $9,000,000, all of which were Public Safety Bonds issued pursuant to the Public Safety Proposition; and

WHEREAS, the City has no further voter approved authorization to issue general obligation bonds pursuant to the Parks Proposition; and

WHEREAS, the City is additionally empowered to issue general obligation refunding bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Refunding Law," and together with the Act, the "Bond Law") following a determination by the City Council of the City (the "Council") that the prudent management of the fiscal affairs of the City require it to do so; and

WHEREAS, pursuant to the authorization received at the November 6, 2018 election and the authorization contained in the Act, the City intends to issue general obligation bonds, designated as (i) "City of San José General Obligation Bonds, Series 2019A-1 (Disaster Preparedness, Public Safety, and Infrastructure)" (the "Series 2019A-1 Bonds," (ii) "City of San José Taxable General Obligation Bonds, Series 2019A-2 (Disaster Preparedness, Public Safety, and Infrastructure)" (the "Series 2019A-2 Bonds") and (iii) "City of San José Taxable General Obligation Bonds, Series 2019B (Disaster Preparedness, Public Safety, and Infrastructure)" (the "Taxable Series 2019B Bonds" and, together with the Series 2019A Bonds and the Taxable Series 2019A-2 Bonds, the "Infrastructure Bonds,") with all of the Infrastructure Bonds issued pursuant to the Infrastructure Proposition; and

WHEREAS, pursuant to the authorizations received at the November 7, 2000 election and the March 5, 2002 election, and the authorization contained in the Bond Law, the City intends to issue general obligation bonds (the "Prior Authorization Bonds"), together with

general obligation refunding bonds (the "Refunding Bonds") for the purpose of refunding, on a current basis, all outstanding general obligation bonds heretofore issued pursuant to the Libraries Proposition, the Parks Proposition and the Public Safety Proposition (collectively, the "Refunded Bonds"), designated as (i) "City of San José General Obligation Bonds, Series 2019C (Refunding, Libraries, Parks, and Public Safety Projects)" (the "Series 2019C Bonds") and (ii) "City of San José Taxable General Obligation Bonds, Series 2019D (Refunding, Libraries, Parks, and Public Safety Projects)" (the "Taxable Series 2019D Bonds" and, together with the Series 2019C Bonds, the "Refunding and Prior Authorization Bonds"); and

WHEREAS, following the issuance of the Refunding and Prior Authorization Bonds, there will be no further voter approved authorization to issue general obligation bonds pursuant to the Libraries Proposition or the Public Safety Proposition; and

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

WHEREAS, the Infrastructure Bonds and the Refunding and Prior Authorization Bonds (collectively, the "Bonds") will be sold by competitive sale pursuant to and in accordance with an Official Notice Inviting Bids (the "Official Notice of Sale"), and will be issued under and pursuant to a fiscal agent agreement (the "Fiscal Agent Agreement"), between the City and Wilmington Trust, N.A., as fiscal agent (the "Fiscal Agent"); and

WHEREAS, prior to the issuance and sale of the Bonds, the City expects to pay and incur certain expenditures in connection with the projects to be financed pursuant to the Libraries Proposition, the Public Safety Proposition, and/or the Infrastructure Proposition, and the City intends to reimburse itself and to pay third parties for such prior expenditures from the proceeds of the Bonds or such additional series of bonds; and

WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986 (the "Treasury Regulations") requires the City to declare its reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent borrowing; and

WHEREAS, the Treasury Regulations require that any reimbursement allocation of proceeds of the Bonds be made with respect to expenditures incurred prior to the issuance of the Bonds will occur not later than eighteen (18) months after the later of (i) the date on which the expenditure is paid or (ii) the date on which the project is placed in service or abandoned, but in no event later than three (3) years after the expenditure is paid;

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

Section 1. Findings and Determinations. Pursuant to Section 53552 of the Refunding Law, the Council hereby finds and determines that the prudent management of the fiscal affairs of the City requires that the Refunding Bonds be issued under the Refunding Law, the Fiscal Agent Agreement and this Resolution. The total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds, and the maturity dates for the Refunding Bonds and the principal amount of the

Refunding Bonds coming due on each maturity date shall be determined as permitted by the Refunding Law.

The City further finds and determines that the maturity dates for the Bonds and the principal amount of the Bonds coming due on each maturity date shall be determined as permitted by the Act.

Section 2. Issuance of Bonds; Approval of Fiscal Agent Agreement. The Bonds are hereby authorized to be issued by the City under and subject to the terms of the Bond Law and the Fiscal Agent Agreement for the purpose of financing the projects approved by voters at the respective authorizations, refunding the Refunded Bonds, and paying certain legal, financial and contingent costs in connection therewith. The Bonds shall be issued upon the terms and conditions set forth in the Fiscal Agent Agreement.

The proposed form of Fiscal Agent Agreement in substantially the form posted to the agenda webpage for this meeting is hereby approved, and any of the City Manager, the Director of Finance, the Assistant Director of Finance or the Debt Administrator (each an "Authorized Officer" and, collectively, the "Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Fiscal Agent Agreement in substantially said form, with any additions thereto (including the insertion of the maturity dates, principal amounts and interest rates of the Bonds) and changes therein as any of the Authorized Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney, the execution of which by an Authorized Officer shall be conclusive evidence of the approval of any such additions and changes. The Council hereby authorizes the performance by the City of its obligations under the Fiscal Agent Agreement, and the selection of Wilmington Trust, N.A., as Fiscal Agent is hereby approved and ratified.

Section 3. Approval of Form of Bonds. The forms of Bonds set forth in the form of Fiscal Agent Agreement are hereby approved, and any of the Authorized Officers are hereby authorized and directed to execute, and the City Clerk is hereby authorized to attest, the Bonds, in the name and on behalf of the City and to cause the delivery thereof as provided for below, to be issued in the number of series, and as federally tax-exempt or taxable, with any additions thereto and changes therein, as any of the Authorized Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney.

Section 4. Approval of Refunding Instructions. The Council hereby approves the current refunding of the Refunded Bonds pursuant to irrevocable refunding instructions (the "Irrevocable Refunding Instructions"), substantially in the form posted to the agenda webpage for this meeting, together with any changes therein or additions thereto approved by an Authorized Officer upon consultation with the City Attorney, whose execution thereof shall be conclusive evidence of approval to any such changes or additions. The Irrevocable Refunding Instructions shall be executed in the name and on behalf of the City by an Authorized Officer, who is hereby authorized and directed to execute and deliver said Irrevocable Refunding Instructions on behalf of the City.

Section 5. Sale and Issuance of Bonds. The Council hereby authorizes the sale of the Bonds by competitive sales pursuant to the Official Notice of Sale. The Council hereby approves, in substantially the form posted to the agenda webpage for this meeting, the Official

Notice of Sale. The Authorized Officers are each, acting alone, authorized and directed to distribute the Official Notice of Sale, with such changes, insertions and omissions as may be approved by an Authorized Officer upon consultation with the City Attorney, to potential bidders for the Bonds, and to sell the Bonds by competitive sale in accordance with the terms thereof. The publication of a notice of intention to sell the Bonds as required by Section 53692 of the California Government Code is hereby ratified.

The sale of the Refunding Bonds is hereby approved, provided that the true interest cost of the portion of the Refunding Bonds issued to refinance the Refunded Bonds shall result in net present value savings of the Refunded Bonds, (and the final maturity date of such portion of the Refunding Bonds shall not extend beyond the final maturity date of the applicable Refunded Bonds.

The sale of the Prior Authorization Bonds is hereby approved, provided that (a) the true interest cost of the Prior Authorization Bonds shall not exceed 6.0% per annum, (b) the principal amount of the Prior Authorization Bonds issued under the Libraries Proposition shall not exceed $5,905,000, which is the total authorization remaining under the Libraries Proposition and the principal amount of the Prior Authorization Bonds issued under the Public Safety Proposition shall not exceed $3,325,000, which is the total authorization remaining under the Public Safety Proposition, and (c) the final maturity date of the Prior Authorization Bonds shall not be more than 40 years from the date of issuance.

The sale of the Infrastructure Bonds is hereby approved, provided that (a) the true interest cost of the Infrastructure Bonds shall not exceed 6.0% per annum, (b) the aggregate combined principal amount of the Infrastructure Bonds shall not exceed $239,900,000, and (c) the final maturity date of the Infrastructure Bonds shall not be more than 40 years from the date of issuance.

Any of the Authorized Officers is hereby authorized and directed to evidence the City's acceptance of an offer to purchase the Bonds following competitive biddings pursuant to the Official Notice of Sale.

Section 6. Approval of Official Statement; Continuing Disclosure Certificate. The proposed form of preliminary official statement with respect to the Bonds (the "Preliminary Official Statement") in substantially the form posted to the agenda webpage for this meeting is hereby approved with such additions thereto or changes therein as any of the Authorized Officers, acting alone, shall deem necessary, desirable or appropriate upon consultation with the City Attorney. The Authorized Officers are hereby authorized and directed, for and on behalf of the City, to execute all certificates necessary to deem final the Preliminary Official Statement as of its date, with the exception of certain final pricing and related information. The Preliminary Official Statement with such changes therein relating to the sale of the Bonds as any of the Authorized Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney shall hereinafter be referred to as the "Official Statement." The Authorized Officers are hereby authorized and directed, each acting alone for and on behalf of the City, to execute and deliver the Official Statement with such additions thereto or changes therein. The use and distribution of said Preliminary Official Statement and use and distribution of the Official Statement in connection with the sale of the Bonds is hereby ratified and approved. In addition, the City Council also approves the form of Continuing Disclosure

Certificate attached as an appendix to the Official Statement, and authorizes and directs the Authorized Officers, each acting alone, to execute said Continuing Disclosure Certificate with such additions thereto or changes therein as any of the Authorized Officers, acting alone, shall deem necessary, desirable or appropriate upon consultation with the City Attorney. The execution of the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Certificate by an Authorized Officer shall be conclusive evidence of the approval of any such additions and changes to such document.

Section 7. Bond Insurance. The Authorized Officers, each acting alone, are hereby authorized to take any and all action that he or she deems necessary to qualify the Bonds for municipal bond insurance.

Section 8. Reimbursement. The City hereby declares its official intent to reimburse expenditures of the City relating to the projects to be financed pursuant to the Libraries Proposition, the Public Safety Proposition, and/or the Infrastructure Proposition that are incurred or paid prior to the issuance and sale of the Bonds or any additional series of bonds issued pursuant to the Infrastructure Proposition from the proceeds of the Bonds or such additional series of bonds.

Section 9. General Authority. The officers of the City 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 Bonds to be issued, (ii) effecting the refunding of the Refunded Bonds, (iii) 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 Bonds, and (iv) 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 each series of the Bonds. Any such actions previously taken by such officers are hereby ratified and confirmed.

Section 10. 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 11. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

ADOPTED this 25th day of June, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

_____
SAM LICCARDO
Mayor

ATTEST:

_____
TONI TABER
City Clerk